UNEP

Food and Agriculture Organization

United Nations Development Programme

STANDARD JOINT PROGRAMME DOCUMENT

Country: Indonesia

Title: Indonesia UN-REDD National Joint Programme

1. Cover Page

UNDAF Outcome(s): OUTCOME 1: Strengthening Human Development to Achieve the MDGs
OUTCOME 3: Protecting the Vulnerable and Reducing Vulnerability

Programme Duration: 20 Months

Anticipated start/end dates: October 2009 – May 2011

Fund Management Option(s): pass-through

Managing or Administrative Agent: UNDP

Total estimated budget*: USD 5,644,250

Out of which:

1. Funded Budget: USD 5,644,250

2. Unfunded budget: _____

* Total estimated budget includes both programme costs and indirect support costs

Sources of funded budget:

- Government _____
- UN Org…. _____
- UN Org… _____
- Norway (UN-REDD) USD 5,644,250
- Donor … _____
- NGO… _____

Names and signatures of national counterparts and participating UN Agencies

UN Agencies	National Partners
…… *Signature* *FAO* *Date, Seal*	…… *Signature* *Ministry of Forestry* *Date, Seal*
…… *Signature* *UNDP* *Date, Seal*	
…….. *Signature* *UNEP* *Date, Seal*	

ACRONYMS

AA	Administrative Agency
ADB	Asian Development Bank
AMAN	*Aliansi Masyarakat Adat Nusantara* (Indigenous People Alliance of the Archipelago)
BAPLAN	*Badan Planologi* (Division of Forest Planning)
BAPPENAS	*Badan Perencanaan Pembangunan Nasional* (National Development Planning Agency)
BD	Biodiversity
BLU	*Badan Layanan Umum* (Public Service Agency)
BMK	German Federal Ministry of Economic Cooperation and Development
BMKG	Indonesian Institute for Meteorology, Climatology and Geophysics
BMZ	German Ministry for International Cooperation
C	Carbon
CCB	Climate, Community & Biodiversity Standards
CDM	Clean Development Mechanism
CI	Conservation International
CIFOR	Center for International Forestry Research
CIMTROP	Centre for International Management of Tropical Peatlands
CKPP	Central Kalimantan Peatlands Project
CO_2	Carbon dioxide
CoP	Conference of the Parties
CSOs	Civil Society Organizations
DG	Directorate General
DGPLAN	*Direktorat Jendral Planologi Kehutanan (*Directorate General for Forest Planning)
DKN	*Dewan Kehutanan Nasional* (National Council on Forestry)
DNPI	*Dewan Nasional Perubahan Iklim* (National Council on Climate Change)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FFI	Flora and Fauna International
FKKM	*Forum Komunikasi Kehutanan Masyarakat* (Communication Forum on Community Forestry).
FLEGT	Forest Law Enforcement, Governance and Trade
FMU	Forest Management Unit
FORDA	Forest Research and Development Agency
FRA	Forest Resources Assessment
FRIS	Forest Resources Information System
FWI	Forest Watch Indonesia
GEF	Global Environment Facility
GER	Global Eco-Rescue
GIS	Geographical Information System
GoI	Government of Indonesia
GoJ	Government of Japan
GoN	Government of Norway
GTZ	German Technical Cooperation Agency
HACT	UN Harmonized Advance Cash Transfer
HKm	*Hutan Kemasyarakatan* (one of Indonesia's community based forest management programmes)
HK	*Hutan Konservasi* (Conservation Forest)
HL	*Hutan Lindung* (Protected Forest)

HR	*Hutan Rakyat* (one of Indonesia's community based forest management programmes)
HTR	*Hutan Tanaman Rakyat* (one of Indonesia's community based forest management programmes)
HPA	*Hutan Produksi Alam* (Natural Production Forest)
HPT	*Hutan Produksi Terbatas* (Limited Production Forest)
HTI	*Hutan Tanaman Industri* (Industrial Plantation Forest)
HUMA	*Perkumpulan untuk Pembaharuan Hukum berbasis Masyarakat dan Ekologi* (Community and Ecology Based Legal Reform Organization)
ICEL	Indonesian Center for Environmental Law
ICRAF	World Agroforestry Centre
IFCA	Indonesian Forest Climate Alliance
IPs	Indigenous Peoples
IPCC	Inter-Governmental Panel on Climate Change
ITC	International Training Centre
JICA	Japan International Cooperation Agency
JKPP	*Jaringan Kerja Pemetaan Partisipatif* (Participatory Mapping Working Network)
JPD	Joint Programming Document
KARSA	*Lingkar Pembaharuan Pedesaan dan Agraria* (Village and Agrarian Reforms Institute.
KDP-PNPM	*Kecamatan* Development Programme/*Program Nasional Pemberdayaan Masyarakat*
KfW	German Development Bank
KLH	*Kementerian Lingkungan Hidup* (Ministry of Environment)
KpSHK	*Kelompok Sistim Hutan Kerakyatan (*Consortium for Supporting Community Based Forest System Management)
KPA	*Kawasan Pelestarian Alam* (Nature Conservation Zone)
KPH	*Kesatuan Pemangkuan Hutan* (Forest Management Unit, FMU)
KSA	*Kawasan Suaka Alam* (Nature Reserve Zone)
LULUCF	Land Use, Land Use Change and Forestry
MoM	Minutes of Meeting
MRV	Measurement Assessment Reporting and Verification
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MoA	Ministry of Agriculture
MoE	Ministry of Environment
MoF	Ministry of Finance
MoFor	Ministry of Forestry
MoHA	Ministry of Home Affairs
MoTC	Ministry of Trade and Commerce
MOU	Memorandum of Understanding
MT	Megatonnes
NCAS	National Carbon Accounting System
NCASI	National Carbon Accounting System Indonesia
NFI	National Forest Inventory
NGOs	Non-governmental Organizations
NJP	National Joint Programme
NPB	National Project Board
NPD	National Project Director
NPM	National Project Manager
PEB	Project Executive Board
PES	Payment for Ecosystem Services
PHBM	*Pengelolaan Hutan Berbasis Masyarakat* (Community Based Forest Management)- (one of Indonesia's community based forest management programmes

PHKA	*Perlindungan Hutan dan Konservasi Alam* (Forest Protection and Nature Conservation)
PMU	Programme Management Unit
PP	*Peraturan Pemerintah* (Government Regulations)
PSP	Permanent Sample Plot
PU	*Departemen Pekerjaan Umum* (Ministry of Public works)
REDD	Reducing Emissions from Deforestation and Forest Degradation
REL	Reference Emissions Level
RLPS	*Rehabilitasi Lahan dan Perhutanan Sosial* (Land Rehabilitation and Social Forestry)
RMU	PT *Rimba Makmur Utama*
R-PIN	REDD Project Idea Note
R-PLAN	REDD Plan
RTRWP	*Rencana Tata Ruang Wilayah Propinsi* (Provincial Level Spatial Planning)
RS	Remote Sensing
RUPES	Rewarding Upland Poor for Environmental Services
SFM	Sustainable Forest Management
STORMA	Stabilization of Tropical Rainforest Margins project
SSA	Special Service Agreement
TA	Technical Assistance
TB	*Taman Buru (*Game Reserve Park))
TGHK	*Tata Guna Hutan Kesepakatan* (Consulted Forest Planning)
ToR	Term of Reference
TNC	The Nature Conservancy
UN	United Nations
UNDAF	United Nations Development Assistant Framework
UNDG Excom	United Nations Development Group Executive Committee
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNRC	United Nations Resident Coordinator
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
USD	US dollars
WB	World Bank
WRI	World Resources Institute
WWF	World Wildlife Fund

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2. Executive Summary

In September 2008, the global *United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries* (UN-REDD Programme) was launched aiming to assist tropical forest countries in establishing a fair, equitable and transparent REDD regime. Indonesia is one of the nine pilot countries for the initial phase. This will be funded by the Government of Norway as part of Norway's International Climate and Forest Initiative which was announced during the UNFCCC conference at Bali in 2007.

The proposed National Joint Programme (NJP) aims to support the Government of Indonesia (GoI) to timely develop a REDD architecture that will allow a fair, equitable and transparent REDD implementation, and a sustainable contribution of forestry to a reduction of forestry related greenhouse gas emissions

Multi-stakeholder participation in REDD is of critical importance to REDD readiness. Recognizing the importance to do so, the government initially has been working through the IFCA multi-stakeholder alliance. IFCA organized and streamlined stakeholder input. Amongst others, this resulted in an initial outline of what was called a REDD supply chain. Furthermore, subject matter related analyses were conducted which fed into a final consolidation report[1] that has formed the foundation for Indonesia's National REDD strategy. Recently, the Ministry of Forestry has issued a Ministerial Decrees No. 30/2009 and No. 36/2009 on REDD regulation. The Decrees were issued after various in-depth multistakeholder consultations on REDD regulations.

The multi-stakeholder consultation process also includes people and local communities potentially affected by REDD, and UN-REDD is keenly aware of the concerns raised by local communities and Civil Society Organizations (CSOs) of an emerging REDD scheme in Indonesia. On 20 May 2009, an in-depth stakeholder consultation with Indigenous Peoples representatives (hereafter referred to as local community representatives[2]) and CSOs was conducted as part of the development of the UN-REDD Programme. Inputs from the consultations have been used to refine the proposal and will guide later implementation.

Provincial and district governments are developing policies and have shown interest in developing REDD as an effort to strengthen forest development in their area. While these initiatives need support, better communication between district, province and central government is essential to make REDD successful in the longer term. Furthermore, particular attention is required to enhance capacity of local government and society in managing forests in the context of local development planning, including supporting the establishment and capacity building of Forest Management Units. To support the development of the national and international REDD architecture, the programme will also assist local governments with preparing and piloting REDD activities on the ground. The results will provide important inputs to the national discussions and decision making processes.

The **Objective** of the UN-REDD Indonesia Programme is "*to support the GoI in attaining REDD-Readiness*". In order to secure this Objective, three Outcomes with subsequent outputs and activities will be pursued:

Outcome 1: Strengthened multi-stakeholder participation and consensus at national level

Output 1.1 (UNDP): Consensus on key issues for national REDD policy development
Output 1.2 (UNDP): REDD lessons learned
Output 1.3 (UNEP): Communications Programme

Outcome 2 Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture

[1] Ministry of Forestry. 2008: Reducing Emissions from Deforestation and Forest Degradation. IFCA Consolidation Report. www.forda-mof.org
[2] This includes the masyarakat adat

Output 2.1 (FAO): Improved capacity and methodology design for forest carbon inventory within a Measurement, Reporting and Verification System (MRV), including sub-national pilot implementation
Output 2.2 (FAO): Reference Emissions Level (REL)
Output 2.3 (UNDP): Harmonized fair and equitable payment mechanism at provincial level
Output 2.4 (UNEP): Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, such as biodiversity conservation and poverty alleviation under MDG

Outcome 3: Capacity established to implement REDD at decentralized levels

Output 3.1 (UNDP): Capacity for spatial socio-economic planning incorporating REDD at the district level
Output 3.2 (UNDP): Empowered local stakeholders are able to benefit from REDD
Output 3.3 (UNDP): Multi-stakeholder-endorsed District plans for REDD implementation

3. Situation Analysis

A. Background

Forest resources in many developing countries play important roles in national economic development as well as source of income and other customary uses for local people. In the context of global climate change, forests play an integral role in mitigating climate change. Not only are they one of the most important carbon sinks, storing more carbon than both the atmosphere and the world's oil reserves, but they also constantly remove carbon from the atmosphere through photosynthesis, which converts atmospheric carbon to organic matter. While forests are working diligently to clean up the carbon, people continue to emit carbon to the atmosphere through burning fossil fuels and deforestation and forest degradation, pumping carbon right back into the atmosphere. According to IPCC, deforestation and forest degradation in developing countries account for about 20% of global carbon emission[3]. Significant emission reduction could be made, however, if appropriate rewarding mechanisms can be created.

Indonesia is a country with forest land about 60 % of the country area, the third largest forest area under tropical rainforest in the world. Indonesia's forest is important not only for national economy development and livelihood of local people, but also for global environment. Indonesia is the home of mega diversity and one of the custodians of the world tropical peat land.

Indonesia put a high interest on the issue of climate change including REDD since Indonesia is an island country. The combination of high population density and high levels of biodiversity, together with a staggering 80,000 kilometers of coastline and 17,500 islands, makes Indonesia one of the most vulnerable countries to the impacts of climate change. The devastating impact of global warming is already evident in Indonesia and the effects will be felt more acutely by the poorest people, who are living in the most marginal areas or surrounding forest that are vulnerable to drought, for example, or to floods and landslide. Developed countries are responsible for the majority of greenhouse gas emissions which cause global warming

Indonesia is currently facing the challenge of deforestation and forest degradation. Most recent estimates based on satellite Landsat 7 ETM+ imageries issued by GoI indicated that between 2003 and 2006, deforestation and forest degradation was around 1.17 million ha per year[4]. Accurate estimates of the magnitude of forest degradation do not exist Indonesia has developed measures to tackle illegal logging and initiated a program to rehabilitate degraded areas. Other efforts on sustainable forest management, rehabilitation of degraded forest and non-forest land, and protected area management, campaigning one million planting trees, one man one tree are examples of several efforts to show the seriousness of the government to tackle climate change related issues. The Indonesian Forest Carbon Alliance (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 and forest degradation rate, and rehabilitation of degraded forests. Developing REDD Readiness and demonstration activities will provide this proof-of-concept work to support a viable market in carbon credits for avoided deforestation in the post 2012. Regulation on implementation of REDD mechanism has been developed to support these initiatives.

All of these could contribute positively in reducing global emission and restoration of other global environmental functions. But, with the wide forest coverage and its complex problems, under this business as usual activities, it will be very challenging for Indonesia to achieve REDD Readiness by 2012. While progress is being made, it needs to be emphasized that most of these initiatives are still in their early stages of development. It is strongly recommended by forest communities that Indonesia has to make more efforts to enhance the current forestry business to become REDD Ready.

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[3] Kanninen, M. Murdiyarso, D., Seymor, F. Angelsen,A., Wunder, S., and German, L. Do Trees Gro on Money? *CIFOR's INFO BRIEF. No. 14, November 2008.*

[4] *Pusat Inventarisasi dan Perpetaan Hutan, Departemen Kehutanan*. 2008. *Perhitungan Deforestasi Indonesia Tahun* 2008. *Pusat Inventarisasi dan Perpetaan Hutan, Departemen Kehutanan*. 2008: *Rekalkulasi Penutupan Lahan Indonesia Tahun* 2008. Available at http://www.dephut.go.id/.

B. REDD Indonesia Institutional setting

Indonesia has a range of policies and programs that are of direct relevance to the REDD. First, it is important to acknowledge that Indonesia has ratified: the Ramsar Convention; the UN Convention on Biological Diversity; the UNFCCC; and the Kyoto Protocol. The Ministry of Environment (MoE) is the key agency in developing environmental policies in Indonesia, including policies related to climate change. The DNPI leads Indonesia's negotiations in the UNFCCC (MoE was a focal point for the climate change negotiation in Indonesia). Second, the Ministry of Forestry (MoFor) has so far pro-actively driven REDD process in Indonesia, starting with the establishment of the IFCA in 2007 to conduct initial steps in REDD Readiness. Since 2008, The Ministry of Forestry has issued four National Regulations on Reducing Emissions from Deforestation and Degradation in order to guide implementation of national REDD policy. Some programs related to REDD preparation are on-going such as developing Indonesia NCAS and FRIS program. FRIS will be the basis for monitoring, assessment and reporting for REDD and GHG. It will also include a REDD registry to list REDD related operations and for serving payment mechanism. Other programs to support REDD indirectly, particularly to carbon measurement are developed in the MoFor through various projects. For examples, collaboration between the MoFor (PHKA, RLPS, FORDA) and ICRAF under a Rewarding the Upland Poor for Environmental Services (RUPES) project, REDD ALERT project, and other activities under FMU system development and Timber Legality Assurance System (TLAS).

Since COP13, the increased complexity and significant anticipated benefits and economic changes initiated by REDD triggered increased involvement of other institutions, including BAPPENAS, Ministry of Finance, Ministry of Environment, Ministry of Public Works, Ministry of Home Affair, Ministry of Agriculture, The Coordinating Ministry of Economic Affairs, and Provincial and District Government. The National Council on Climate Change is the umbrella institution to coordinate the institutions. The national institutions responsible to develop REDD related policies and program based on their sectoral mandates whereas some provincial and district governments are in the process of initiating demonstration activities. Indonesia has adopted an approach to REDD implementation characterized as a "national approach with sub-national implementation".

Through the IFCA process, initial steps in REDD readiness have been taken. The IFCA, a multi-stakeholder alliance, established and managed by the Forestry Research and Development Agency (FORDA) and supported by the World Bank, has conducted a series of important studies on different aspects of REDD organized through working groups. By the time of COP 13 in December 2007 each of the working groups had developed technical papers which were supported by a structured program of consultations with principal stakeholders from the Ministry of Forestry (MoFor), national and international NGO's and forest industry groups.

The Ministry of Forestry (MoFor) has the responsibility to manage the nation's forest which is currently in the order of 120.35 million ha or 64.08% of the land surface[5]. To guide implementation of national REDD policy, the Ministry of Forestry has recently initiated the following four decisions:

- Ministerial Regulation P.68/Menhut-II/2008 which provides an umbrella for voluntary REDD initiatives and demonstration pilot projects currently under implementation or being developed. (December 2008)
- Ministerial Decision SK. 13/Menhut-II/2009 which establishes a Climate Change Working Group within the Ministry of Forestry (MoFor) (January 2009). The Climate Change Working Group aims to develop initiatives to deal with issues related to climate change including REDD. The group comprises all Directorate Generals (DG)s within the Ministry.
- Ministerial Regulation P. 30/Menhut-II/2009 which provides mechanisms to reduce carbon emissions from deforestation and forest degradation (May 1, 2009)
- Ministerial Regulation P. 36/Menhut-II/2009 which provides a framework for issuing licenses for carbon utilization in production and protection forests (May 22, 2009).

Within MoFor, Directorate General of Forest Plan (DGPlan) is responsible for the Forest Resource Inventory System (FRIS) which is integrated into the National Carbon Accounting System (NCAS). NCAS, which monitors all terrestrial carbon, is an integrated effort to measure all green house gas emissions related to

[5] Departemen Kehutanan. 2005. *Rencana Strategis Kementerian Negara/Lembaga Departemen Kehutanan Tahun* 2005-2009.

terrestrial carbon. NCAS is a fully integrated Carbon Accounting Model (*CAM*) for estimating and predicting all, wall to wall, biomass, litter and soil carbon pools in forests and agricultural systems. In addition to this, it accounts for changes in other major greenhouse gasses such as nitrogen oxides through monitoring of the nitrogen cycle and human-induced land use practices[6]. FRIS will be the basis for monitoring, assessment and reporting for REDD and Green House Gas (GHG), as far as these concern the forests managed by the ministry of forestry. It will also include a REDD registry to list REDD related operations and for serving payment mechanisms.

Other programs indirectly related to support REDD, particularly to carbon measurement are developed in the MoFor through various projects. For examples, collaboration between the MoFor (PHKA, RLPS, FORDA) and ICRAF under a Rewarding the Upland Poor for Environmental Services (RUPES) project, REDD ALERT project, and other activities under KPH system development and Timber Legality Assurance System (TLAS).

Furthermore, the MoFor, with financial and technical support from Australia, Germany, the UK, and the World Bank is currently developing demonstration activities for testing and triggering a global REDD mechanism. In June 2008, Indonesia and Australia agreed to develop a Roadmap for Access to International Carbon Market.

Since COP13, the increased complexity and significant anticipated benefits and economic changes initiated by REDD triggered increased involvement of other institutions, including:

- **The National Development Planning Agency** (*Badan Perencanaan Pembangunan Nasional*-**BAPPENAS**): BAPPENAS is responsible for overall development coordination which includes the management of financial/technical assistance from Development Partners. BAPPENAS coordinates the implementation of bilateral and multilateral aid projects which includes cooperation projects with Australia and Germany. BAPPENAS contributes through the following initiatives:
  - BAPPENAS is working on the establishment of a climate change multi donor trust fund intended to support climate change related initiatives. This could potentially include REDD.
  - BAPPENAS has initiated project ideas, presented in the national development response to climate change, also known as the Yellow Book.
  - The possible development and management of a mechanism through which REDD credits are being traded is seen as a potential responsibility of BAPPENAS in collaboration with the Ministry of Finance.

- **The Ministry of Environment** (*Kementerian Lingkungan Hidup*- KLH), until the establishment of the National Council on Climate Change (*Dewan Nasional Perubahan Iklim*-DNPI), served as the focal point for the United Nations Framework Convention on Climate Change (UNFCCC). KLH is responsible for developing and overseeing national policies on environmental management issues.

- **Ministry of Finance** (MoF): MoF is responsible for the design and implementation of payment mechanisms, including sharing of REDD generated revenues. One of the possible options to manage REDD finances is the establishment of a Public Service Agency (BLU). MoF is instrumental in the establishment and management of these institutions which will report to the Minister. Furthermore, MoF has established a task force for developing fiscal policies relevant to climate change.

- **The National Council on Climate Change** (DNPI): The DNPI was established in 2008 through a Presidential Decree, meaning that the DNPI reports its activity directly to the President. It has been given significant authority to advise and oversee implementation of both climate change adaptation and mitigation policies. DNPI has become the UNFCCC focal point. The DNPI comprises of six working groups to deal with issues of adaptation, mitigation, technology transfer, finance, forestry and post-Kyoto mechanisms.

- **Ministry of Public works** (*Pekerjaan Umum*- PU): Its Directorate General for Spatial Planning is responsible for spatial planning and oversees the implementation of law 26/2007, a spatial planning law.

[6] See http://www.greenhouse.gov.au/ncas/ncat for more information on NCAS as developed by the Australia Department of Climate Change

- **Ministry of Home Affairs** (MoHA) is responsible for overseeing decentralization and provides overall guidance to the districts with regards to the spatial – and economic development planning. Engagement with MoHA on REDD is thus of significant importance, but still very limited.

- **Ministry of Agriculture** is responsible in managing estate crops (such as rubber, palm oil, and other estate crops) and forested land outside of state owned forests.

- **The Coordinating Ministry of Economic Affairs** develops and oversees economic development. It is responsible for mainstreaming climate change into general development policies. The ministry has been instructed by the president through Presidential Instruction 5/2008, which also instructs MoFor and KLH, to issue timely REDD regulations.

- **Provincial and District Government**:

  Based on Forestry Law No. 41/1999 and its revise Law No. 19/2004, forest and forest related issues are the responsibility of the Ministry of Forestry, but with significant management responsibilities at the local level except management of forest for conservation purposes. Management of conservation forest is under the responsibility of the central government. According to the Laws, the minimum forest cover that should be maintained of the total area of a watershed is 30%. The Law also mentioned that islands, provinces, districts or watersheds should have a minimum forest cover of 30% of the total land area and the forest area. The forest area is defined by the government based on biophysical conditions, climate, population and socio-economic conditions of the community within the region it is residing. This has been supported by Law 26/2007 on Spatial Planning which gives mandate to each district to be responsible for their district spatial plans. The law mentions that at least 30% of each district area should be vegetated by trees.
  In accordance with the new decentralization laws, the Spatial Planning Law 26/2007 stipulates explicitly the authority of provincial governments (*pemerintah propinsi)* and of district governments (*pemerintah kabupaten* and *pemerintah kota*) in spatial planning. Based on the Law 26, any local government should refer both to the national spatial plan and to the long term development plan of its sub-ordinate local governments. It implies that any provincial spatial plan is obliged to pay attention to the spatial plan of district (*Kabupaten*/*Kota)* affected and it will be a guideline towards multi sector integration and multi jurisdiction spatial planning. Of the 33 provinces, 30 provinces has developed designated forest zone map (*Peta Kawasan Hutan*) built upon their respective province spatial plan. Only three provinces (Central Kalimantan, Kepulauan Riau and Riau provinces) up to now have not finalized their designated forest zone map yet. Concerning to province spatial plan, however, Indonesia decentralization in 1999 has delivered great authority to the district (*Kabupaten*/*Kota)* government, leaving the provincial government merely a supervision function. The authority of district (*Kota*/*Kabupaten)* government in spatial planning covers (i) regulatory and supervision; (ii) planning; and (iii) partnership in planning between *Kabupaten*/*Kota*
  One of issues concerning Law 26/2007 related to REDD is a possibility for province and district government to revisit their spatial plan in every five years. It is possible for a district to change a land use This possibility can provide significant opportunities for REDD development in managed forested areas which are mostly managed by MoFor. For example, Law 26/2007 covers spatial planning of coastal zones, which provides to the possibility of REDD incentives to avoid the clearing of mangrove forests (relatively carbon intensive). As such, a robust policy framework could be put in place to integrate REDD into spatial planning at national and local levels for managed forested areas. Furthermore, the development of cross-cutting policies on climate adaptation in spatial plans can integrate climate adaptation into the development of sectoral policies and make the policies climate change resilient.

  While waiting for a guideline of national REDD mechanism, some provinces are in the process of establishing REDD working groups. In Aceh this is facilitated through Green Aceh. In Papua, the government is actively pursuing REDD and is in the process of developing a REDD policy which is well embedded and linked into a national programme. Outside Aceh and Papua, commitment on REDD has been shown by some districts such as Berau District, Malinau District, both in the East Kalimantan Province. The Berau district collaborates with MoFor and TNC on developing large scale REDD demonstration activities. Some REDD working groups have been also established in Central and East Kalimantan. For an example, *Kemitraan,* a national NGO, is working at district level in Siak, Riau Province. However, so far these REDD working groups have not been officially enacted.

4. Strategies including lessons learned and the proposed Joint Programme

A. REDD related initiatives

IFCA: As mentioned above, in July 2007, Indonesia formed the IFCA, a forum for stakeholder communication, coordination, and consultation on REDD related issues, including progress and outputs of the studies on REDD methodologies, strategy, financial/market analysis and incentive distributions. The IFCA studies undertaken in 2007 resulted in the following recommendations: (1) build on the initial framework designed by IFCA, (2) continue consultations and technical analysis, (3) test and implement pilot/demonstration activities with heterogeneous conditions, (4) conduct capacity building at all levels, (5) create a credible national framework for verifiable emission reductions, and (6) deliver real reductions in GHG emissions. In order to follow up on the outcomes of the IFCA studies in 2007, the COP-13 Decision and implement the REDDI Road Map, the REDDI Framework was set up. Recently, this has been elaborated and resulted in the National REDD Strategy as summarized in table 1.

Minister of Forestry's Regulations and Decisios: In 2008, the Minister of Forestry issued a regulation on the implementation of REDD demonstration activities (PERMENHUT No. P. 68/Menhut-II/2008). The aim of the implementation of demonstration activities is to test and develop methodologies, technology and institution of sustainable forest management that endeavor to reduce carbon emissions by addressing deforestation and forest degradation and also as an umbrella regulation for some REDD demonstration activities that are currently initiated by some institutions. In 2009, a Decree on establishing the Ministry of Forestry Working Group on Climate Change/WG-FCC (SK.13/Menhut-II/2009) was issued. The working group is responsible to provide inputs to the Ministry of Forestry on policies and issues that have to be solved related to climate change including REDD. In March 2009, the Ministry of Forestry issued two other regulations on REDD implementation (PERMENHUT No. P30/Menhut-II/2009 and PERMENHUT No. P36/Menhut-II/2009). These Permenhuts provides guidance on implementation of both for fund and voluntary based REDD Indonesia programs.

Bilateral Cooperation: The Government of Indonesia and German Government (BMZ, implemented by KfW/GTZ): This project tentatively aims to support "The implementation of strategies for forest conservation and sustainable forest management resulting in reduced GHG emissions from the forest sector and improved living conditions of the rural population". The project will be working in 2 to 4 districts in Kalimantan, mostly located in what is called the "Heart of Borneo" which encompasses the provinces of East and West Kalimantan. The project focuses on a district implementation model.

The Government of Indonesia and AusAID: AusAID has initiated the "International Forest and Climate Partnership". The partnership encompasses the following key areas:

- Policy development and capacity building to support participation in relevant international negotiations and future carbon markets;
- Technical support for Indonesia to develop its national forest carbon accounting and monitoring system; and
- Development of large-scale project based demonstration activities, and the provision of related enabling assistance, to trial approaches to REDD. This includes the Kalimantan forest and carbon partnership and a second demonstration project in early development.

Multilateral Cooperation: The Government of Indonesia and World Bank (WB): the WB support is moving from technical assistance towards financing. Together with FORDA, the Bank played a key role in coordinating IFCA which was perceived as successful. Indonesia participates in the Forest and Carbon Partnership Facility (FCPF) and therefore is eligible for readiness support. Beyond the readiness process, the WB foresees that the Forest Investment Program (FIP) could be a key vehicle in supporting REDD in Indonesia. The forestry investments may support sectoral restructuring programs such as re-allocating planned palm oil development from peat land soils to mineral soils, closure of saw mills/plywood mills, developing alternative employment for households depending on timber processing facilities etc.

Table 1. Summary of REDD Indonesia Strategy (draft May 2009)

LEVEL / category	Key Strategy Component
NATIONAL LEVEL	
1. Tackling drivers of deforestation and degradation	▪ Protected area: Develop more effective conservation and management of Protected Areas ▪ Production Forest : i) Develop more effective management of Production Forests, ii) Options for forest harvesting and management to supply the requirements of pulp and paper industry ▪ Oil Palm: Options for supplying the requirements of the oil palm industry ▪ Peat land: Testing strategies for restoration of peat lands
2. REDD regulation	▪ Development of technical and institutional guidance to implement REDD ▪ Establishment of National REDD Committee/REDD National Working Group
3. Methodology	▪ Establishment of REL at the national level ▪ Establishment of MRV system at national level
4. Institution	▪ Establishment of National Registry ▪ Institutional setting to implement REDD ▪ Setting incentive/payment distribution mechanism ▪ Stakeholder communications / coordination/ consultations ▪ Capacity building and institutional strengthening
PROVINCIAL LEVEL	
1. Methodology	▪ Establishment of REL at provincial level (shall be consistent with national REL) ▪ Establishment of MRV system at provincial level
2. Institution	▪ Stakeholders communication/ coordination/ consultations ▪ Capacity building and institutional strengthening
3. Demonstration Activities (DA)	▪ Enhance DA to represent different bio-socio-geographical conditions at 28 provinces (existing at 4 provinces : East Kalimantan, Central Kalimantan, South Sumatera and East Java) ▪ Enhance capacity of local communities, including adat communities to engage in forest management through REDD activities.
DISTRICT LEVEL	
1. Methodology	▪ Establishment of REL at district level (shall be consistent with provincial and national REDD) ▪ Establishment of district level MRV system
2. Institution	▪ Stakeholder communications/ coordination/ consultations ▪ Capacity building and institutional strengthening
3. Demonstration Activities (DA)	▪ Implement Demonstration Activities at district level or management unit (with bundling to district level wherever possible) ▪ Enhance capacity of communities, including adat communities to engage in forest management through REDD activities
ALL LEVELS	
Relevant analysis	▪ Analyze costs of alternative land uses ▪ Analyze environmental and socio-economic impacts of REDD ▪ Evaluate potential additional benefits of REDD ▪ Assess trade-offs and risks of REDD to sustainable development ▪ Assess risks of the REDDI strategy

Cooperation with Private Sector: Concern on REDD implementation has been given also by some private sectors and NGOs in a form of developing voluntary based REDD demo activities. Examples for this may be found from the work of Papua Province with an Australia based voluntary market company, initiatives of PT Rimba Makmur at Central Kalimantan, PT Global Eco Rescue at Malinau District, East Kalimantan; the work of

The Nature Conservancy at Berau District, East Kalimantan, an initiative of North Sulawesi provincial government with Carbon Storage Global PTE Limited, and WWF projects at Kampar Peninsula and Sebangau.

All the above initiatives provide lessons for future REDD interventions in Indonesia. While waiting for results of international negotiation of the REDD mechanism, the government of Indonesia is developing legal aspects to accommodate the above initiatives.

B. Need analysis

To allow UN REDD to properly position itself in its efforts to facilitate technical and financial support for REDD in Indonesia, a Need Analysis was prepared in December 2008 – January 2009, identifying needs which would potentially constrain Indonesia to be REDD ready by 2012. This Need Analysis was based on inputs from key REDD stakeholders and emphasized on issues of the REDD readiness steps criteria as defined by the World Bank forest and carbon facility. The reason to use these readiness criteria is that these are generally accepted by key actors and have been used by countries to design their readiness matrices.

The identified needs were as follows:

- *Need to clarify institutional settings*
  - There is a need for institutional clarity both vertically and horizontally which creates uncertainty in project/demonstration site development.
  - There is need for clarity on the regulatory framework , with some institutional mandates overlapping
  - There is lack of clarity on the responsibilities of different levels of government (district/province/national) with respect to REDD.
- *Need for standards and database, which necessitates:*
  - Development of standards with emphasis on baseline methodology, monitoring and verification , what does this entail (with reference to voluntary market projects)
  - Development of a register of on going projects both through multilateral/bilateral assistance as well as through voluntary market schemes
- *Need for improved coordination / communication*
  - Limited coordination with the non forestry ministries
  - Continuing issues such as: forest tenure, forest/wood processing industry restructuring, fires, illegal logging
- *Need for coherent payment scheme(s)*
  - It is necessary to develop a payment system to streamline activities and bring into one consistent approach. Who is getting what? And who is going to pay?
- *Need for promotion of co-benefits, such as poverty alleviation, biodiversity conservation and water supply*
- *Need for analysis on REDD related investment strategies*
  - Possibilities have been identified for immediate both public and private sector investments between now and 2012
- *Need to anticipate beyond Readiness*
  - purchase credits from demonstration activities
  - address permanence and leakage.

C. The Proposed Joint Programme:

The proposed National Joint Programme (NJP) aims to support the Government of Indonesia (GoI) to timely develop a REDD architecture that will allow a fair, equitable and transparent REDD implementation significantly contributing to a sustainable reduction of forestry related greenhouse gas emissions. The NJP will be guided by and supportive to the National REDD strategy.

In line with the participating UN Agencies' mandates, the UN-REDD strategy aims to support development of an Indonesian REDD architecture which is inclusive and addresses the key challenges described above. It will support the Government of Indonesia in developing an equitable and transparent REDD mechanism through:

1. Working on strengthening multi-stakeholder involvement at national and sub national levels while aligning sub national process to the national level,
2. Work on harmonizing the REDD supply chain with an emphasis on Reference Emission Level setting, Measurement Verification and Reporting (MRV) and principles/standards for payment entitlement and;
3. Build capacity within various agencies and stakeholders towards REDD implementation

The Objectives and Outputs of the Programme are laid out in Section 5.

D. Project feasibility

During the design of the project, the following two assumptions were deemed critical for the feasibility of the programme:

- GOI political commitment to REDD and a clear need for UN-REDD involvement
- Wide spread stakeholder support for UN-REDD

The above were addressed through numerous meetings with various stakeholders and coordination meetings with multilateral agencies (World Bank, Asian Development Bank) and bilateral agencies.

Apart from the Ministry of Forestry, this programme is supported by various Government agencies including the National Council on Climate Change, which is the focal point for UNFCC negotiations. Indonesia has made key policy commitments to REDD through its high level political support for the Bali roadmap. The Ministry of Forestry has clearly expressed its interests in working on REDD and has identified key issues which require support. This has been cemented at the national level through the IFCA process and other bilateral initiatives. UN-REDD as such is institutionally well embedded and is part of broader effort to develop REDD in Indonesia which is strengthened by high level political support.

The project outcomes, particularly spatial planning, will strengthen Ministry of Forestry capacity. It is in line with the MoFor policy to sustain forests and its management such as the on-going KPH development program.

Furthermore, UN-REDD addresses several key gaps in REDD development in Indonesia which have been defined through multi-stakeholder involvement, including government agencies, donors and civil society organizations. Thus, the Indonesian UN REDD programme is building on strong stakeholder commitment and designed to meet the needs of key actor involved in rolling out REDD.

E. Sustainability of Results

Building upon GOI identified needs and well designed implementation, UN-REDD expected results are likely to be sustained The emphasis on broad based stakeholder engagement is a key element of the sustainability strategy.

If COP 15 includes REDD and Indonesia moves towards a national approach with sub-national implementation, then UN-REDD contributes to the development an effective, fair and equitable national REDD architecture. UN-REDD outputs emphasize broadening support for REDD at sub-national levels, harmonizing benefit sharing and ensuring capacity exists to implement REDD by 2012.

5. Results Framework

The **Objective** of the UN-REDD Indonesia Programme is "*to support the GoI in attaining REDD-Readiness*"

In order to secure this Objective, three Outcomes with respective outputs and activities will be pursued. The outcomes are intended to strengthen stakeholders at national level (outcome 1), provincial level (outcome 2) and district level (outcome 3). The outcomes are designed to strengthen stakeholders at both vertical and horizontal levels, from national to grass root levels and *vice versa*. It is designed also to provide linkages between national, provincial and district level for technical implementation of REDD.

Outcome 1: Strengthened multi-stakeholder participation and consensus at national level

This Outcome is particularly focused on reaching consensus on key issues related to REDD at the national level, particularly among stakeholders from central and local government, but also ensuring participation of civil society organizations. Reaching consensus will create a common understanding among the stakeholders which is of particular importance to stimulate capacity development at the local level in connection to directions provided by the central government. The intended Outputs are as follows:

Output 1.1 (UNDP): Consensus on key issues for national REDD policy development

The process will be based on the work done by IFCA and will be closely aligned with the DNPI LULUCF Working Group and the MoFor Climate Change Working Group. It will encompass engagement with stakeholders at provincial and local level. Five provinces are initially targeted which are Aceh, Jambi, Central Kalimantan, Central Sulawesi, and Papua. Indicative activities include:

1.1.1 UN REDD Programme Management Unit facilitating multi-stakeholder activities
1.1.2 National and sub-national consultations on key-issues
1.1.3 Analyze key issues focusing on those related to REL
1.1.4 Facilitate inter-ministerial round table discussions on identified issues
1.1.5 Prepare policy recommendations & develop roadmap for issuing policies to address these issues

Output 1.2 (UNDP): REDD lessons learned

UN-REDD will establish a facilitated learning mechanism at the appropriate institution through which local and national stakeholders can learn together. It will collect, analyze lessons learned from currently ongoing initiatives, and report them to all stakeholders using a harmonized approach to permit further analysis at the national level. It can also cooperate with local initiatives to stimulate coordination and pilot innovative ideas for e.g. closer involvement of society in forest management. These lessons, together with the IFCA studies, will also be used to inform the international negotiation process on REDD. Indicative activities include:

1.2.1 Establish national knowledge & learning network
1.2.2 Collaborate with ongoing initiatives to stimulate coordination and joint learning
1.2.3 Organize joint workshops
1.2.4 Prepare publication on lessons learned

Output 1.3 (UNEP): Communications Programme

Under this output, capacity to effectively communicate REDD issues will be developed. REDD requires understanding commitment and involvement from a diverse group of stakeholders, ranging from local communities and indigenous groups, the general public, to government officials and parliaments. Currently, the knowledge on REDD is still very limited and the interpretation of what REDD can bring in terms of benefits but also responsibilities is still very diverse. Therefore, a common understanding needs to be built to expedite the

process of readiness for REDD and to allow stakeholders to keep abreast of REDD related developments such as new legislation and planned projects.

REDD readiness in Indonesia needs additional investments in creating an enabling environment towards real change in reducing deforestation. This applies to both national political levels where policies such as expansion of oil palm would be competing with objectives of REDD, as well as at local district level where decisions have to be made with regard to changing the status of local forest lands or halting forest exploitation in favor of conserving those carbon resources.

Social marketing will work along the lines of providing strategic information, creating the knowledge and understanding, and as a result the willingness to change, e.g. towards significantly improved national policy decisions. The social marketing envisioned for the UN-REDD would use a range of communications and marketing techniques along with training and education to achieve specific and measurable behavioral changes with decision and policy makers at provincial and national levels, as well as local stakeholder groups at field level. Indicative activities include:

1.3.1 Identify target messages, target groups and national partners
1.3.2 Design awareness impact monitoring system, and assessing impact at completion
1.3.3 Design social marketing campaign, focusing on high level government decision makers, as well as local resource users in the pilot districts
1.3.4 Develop REDD information, education and communication materials
1.3.5 Conduct national communications campaign, targeting one or two drivers of deforestation (incl. high-level GoI - UN conference or panel in Jakarta)
1.3.6 Conduct training on REDD – with emphasis on local level actors

Outcome 2 Demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture

This Outcome will include analytical work and institutional capacity building on a number of key elements for REDD implementation in Indonesia. The objectives of this outcome are to support Indonesia in being ready to report emission reduction to UNFCCC and to support Indonesia in developing a REDD national implementation system, which Indonesia would like to test at provincial level. Outputs and activities will be built on and strengthen systems that have already been developed by GoI such as NCAS and FRIS, to contribute to achieving a standardized system. This is important for harmonization and international recognition. Thus the Indonesian MRV system will have two functions, being the essential tool to assess the Indonesian performance in the international mitigation actions and the tool to assess the performances of Indonesian sub-national unit (e.g. provinces).National and sub-national systems will need to be aligned with each other. Furthermore, it needs to be ensured that the development of methodologies will reflect the real forest conditions on the ground.

The criteria used to select the province for demonstration purposes are:

1. Deforestation process is on going but a significant forest cover has remained.
2. Carbon density is relative high
3. Local political support is strong
4. Local capacity is reasonably strong, in order to generate rapid results
5. Drivers can be addressed relatively easily
6. REDD can result in significant co benefits within the project site.
7. GOI preference and location of other initiatives (based on agreements reached in IFCA on criteria for demonstration site selections, GOI policy on REDD demonstrations and UN-REDD objectives)

Based on these criteria, it is considered that the demonstration province should be selected from among three provinces in northern Sulawesi, namely Central Sulawesi, Gorontalo, and North Sulawesi.

The reasoning for selecting from among these three provinces is presented below:

- The pilot area has significant forest cover and facing significant deforestation. Sulawesi, in particular Central Sulawesi and Gorontalo still have relatively high forest cover, around 60% and higher. For Sulawesi, reanalysed Indonesian forest inventory data using satellite images from 2003-2006 showed that of a total land surface, which is around 17.4 million ha, 8.71 million ha is classified as forested. Forest cover is around 60%. Recent analysis of gross forest loss for the island is estimated around 206,000 ha for the period 2003-2006, thus leading to an estimated deforestation and forest degradation rate of around 2%[7].
- Carbon density is relatively high. Forests are relative carbon dense in particular in above ground biomass. As below ground biomass remains excluded, this makes REDD piloting in Sulawesi increasingly feasible given the relative high carbon density and anticipated deforestation rate. Detailed research for the proposed UN-REDD site by the STORMA (Stabilization Tropical Rainforest Margins) -project, showed a nonlinear relationship between canopy cover in agro-forestry systems with biodiversity and ecosystem functioning. This was based on research in areas which mostly encompassed forests in mountainous regions which are characteristic for remaining forest areas.[8].
- Local political support and capacity: The governors of these provinces are known to be forward-looking and keen to engage with emerging international carbon markets, while the capacity of local line agencies is relatively good.
- Drivers of deforestation and forest degradation: In Sulawesi, smallholder agriculture through the spontaneous spread of cash crops resulting in forest degradation has been the key driver. The driver in Sulawesi is thus significantly different than in Kalimantan and Sumatra, where mechanized logging has already degraded millions of hectares of lowland forest and where now extensive areas of logged-over forest are being cleared for oil palm and pulpwood plantations. Smallholder agriculture has led to major agrarian change over the last two decades. To address drivers of deforestations, community based REDD payment mechanism can be effective alternative to compensate for economic losses due to halted conversion of forests.[9].
- Co-benefits. The proposed project site offers significant potential to realize co-benefits due to the combination of low MDG performance and unique biodiversity..
  - *MDG*: The targeted parts of Sulawesi are relative poor and faces significant underdevelopment. The proposed project target provinces in Sulawesi (Gorontalo/Central Sulawesi), which despite a wealth of biodiversity has long been among the less developed parts of the country. In the project areas, poverty levels as high as 60% are reported[10]. In particular, Gorontalo scores low on MDGs progress (second lowest to Papua). Of the total population in these areas, 31% lives below the poverty line and 44% of all children under five are classified as undernourished, which makes it one the poorest provinces in Indonesia. Gorontalo for example has the second highest scores (after Papua) on poverty depth and income inequity. Around 50% of the population has access to a latrine and protected water supply.
  - *Biodiversity*: Sulawesian biodiversity is unique and under threat by deforestation. Situated at the heart of the Wallacean biogeographical region (named for the 19th century naturalist Alfred Russel Wallace), Sulawesi contains unique biodiversity, with elements of both Asian and Australian fauna and flora, many of which are endemic to the island. For example, with the exception of bats, 98% of the Sulawesian mammals are endemic (notable examples being the babirusa *Babyrousa babyrussa*, the Anoa *Bubalus depressicornis* and the Sulawesi giant civet *Macrogalidia musschenbroeki*) while 89 of the 247 known bird species on Sulawesi are not found anywhere else (e.g. the Red-knobbed hornbill *Aceros cassidix* and the blue-backed parrot *Tanygnathus sumatranus*).
- Diversity of pilot project sites: The MoFor interest is to have an equal spread of pilot project throughout the country. In so far, REDD demonstration projects are located in Kalimantan and to a lesser extent in Papua and Sumatra. Sulawesi has been poorly covered. Capacity of government agencies on Sulawesi has assessed as average for Indonesia. Some districts have shown innovation in natural resource management such as the Poso district which has developed a pro-poor land certification program.

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[7] Pusat Inventarisasi dan Perpetaan Hutan. 2008. Rekalkulasi Penutupan Lahan Indonesia Tahun 2008. Badan Planologi Kehutanan, Departemen Kehutanan.

[8] Ingolf Steffan-Dewenter et al., 2007 Tradeoffs between income, biodiversity, and ecosystem functioning during tropical rainforest conversion and agroforestry intensification PNAS 104 (12) p 4973–4978

[9] F. Sitoris, 2002 "Revolusi Coklat" Social formation, agrarian structure and forest margins in Upland Sulawesi, STORMA discussion paper 9. 19p

[10] CARE, 2005. PTF ECML monitor data, Unpublished

Output 2.1 (FAO) Improved capacity and methodology design for forest carbon inventory within a Measurement, Assessment, Reporting and Verification System (MRV), including sub-national pilot implementation

This outcome will work together with national and local institutions on developing a new methodological approach for the already existing National Forest Inventory (NFI) and building capacity to apply this. This will include improved protocols for carbon measurements at the field level. An improved NFI will be an important input to verifying and improving national systems that are being developed by MoFor such as NCAS and FRIS. An improved NFI should allow assessing the forest carbon content according to the IPCC LULUCF Guidance and AFOLU Guidelines and should also allow Indonesia to assess and report carbon stock and carbon stock changes at sub-national level (e.g. provincial level). Regarding the methodological design of a MRV system, it is recognized that there are still many uncertainties and ongoing debates on various approaches. Therefore, the UN-REDD Programme together with national and local institutions will evaluate options that comply with the guidance provided under the UNFCCC and that will allow to assess the national performances and the Indonesian provincial performances. The two levels will be methodologically consistent and will allow Indonesia to support REDD implementation at sub-national level. Indicative activities include:

2.1.1 Review on existing standards and methodologies in MRV at national and sub-national levels;
2.1.2 Development of measurement protocols and sampling design for a national forest carbon inventory with reporting capability at provincial level, building on the existing Indonesian national forest inventory system;
2.1.3 Implementation of the forest carbon inventory in pilot provinces to assess carbon stock and carbon stock changes;
2.1.4 Development of methods for Reporting and Verification at sub-national level, consistent with national reporting requirements;
2.1.5 Implementation of Reporting and Verification in pilot provinces
2.1.6 Workshop: Identification of additional data needs concerning socioeconomic aspect in MRV Training in monitoring and assessment methodology (with AusAid)

Output 2.2 (FAO) Reference emissions level (REL)

The project will assist the government to develop a methodological approach to set up a workable and verifiable REL against which future efforts to reduce deforestation and forest degradation will be measured. It will do this at national and the sub-national levels with a REL assessment in a pilot province (likely to be Central Sulawesi).In formulating the REL at provincial level, UNREDD will ensure this will be synchronized with what has already been developed by GOI at national level. To develop RELs, the following indicative activities are envisaged:

2.2.1 Review of methodologies for establishing REL at national and sub-national level
2.2.2 Development of methodological options to establish REL at national and sub-national scale
2.2.3 Compilation of data to support development of REL
2.2.4 Assessment of a provisional REL in a pilot province
2.2.5 Scientific peer review of provisional REL
2.2.6 Stakeholder consultations on REL methodological approach and provincial provisional REL
2.2.7 Scientific peer review of REL methodological approach and provincial provisional REL

Output 2.3 (UNDP) Harmonized fair and equitable payment mechanism at provincial level

There are already examples in Indonesia of payment systems under which funds are transferred from the national level down to local beneficiaries. One such example is the PNPM Program (The National Community Empowerment Program), which is a programme to generate additional employment and corresponding additional income, primarily for poor unskilled labour. There are also several pilot PES programmes in different parts of the country. To the extent possible, a transparent and equitable payment mechanism for REDD should build on existing payment systems, while ensuring that the necessary assurance for international purchasers of carbon credits that their payments are for genuine carbon conservation are met. The project will therefore demonstrate the development of such a system at provincial level. The development of a payment distribution

mechanism requires that all stakeholders (communities, CSOs, private sector, local government) involved in managing the forest will be involved in such a way that a harmonious, fair and equitable mechanism will be developed and jointly agreed upon. Indicative activities to achieve this result include:

2.3.1 Compilation existing payment systems
2.3.2 Analysis/review of benefits and constraints of existing systems
2.3.3 Options for modifications to meet requirements of a REDD payment system
2.3.4 Stakeholder consultations
2.3.5 Integration of modifications to create a REDD payment system
2.3.6 Training of local institutions

Output 2.4 (UNEP): Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, such as biodiversity conservation and poverty alleviation under MDG

Various REDD pilots are under development in Indonesia, of which most are linking carbon markets to biodiversity conservation objectives. Others incorporate watershed protection functions as well as generating co-benefits such as income generation to poor communities, the latter fully meeting MDG objectives. Whilst these are valuable local projects, less clear is whether these have been chosen at the most optimum sites with regards potential carbon gains e.g. through incorporating forested peatlands, high biomass/dense forests, or whether additional co-benefits could possibly have been incorporated, at little additional cost, by targeting a different location whilst maintaining a similar Carbon stock in below- and above-ground biomass. Factors such as maximizing potential carbon gains, water supply & watershed protection, poverty alleviation, as well as selecting biodiversity hotspots and/or sites with higher than average poverty levels, should be important considerations in site selection for REDD, not least to build a better business case for upscaling of REDD investments nationally.

It is important however to keep the objective of reducing carbon emission high on the agenda, first of all through a standardized but easy to apply site selection process in provinces, whilst incorporating co-benefits should be treated as a secondary objective only.

Together with key-stakeholders, the UN-REDD programme will develop a priority setting toolkit as well as enhancing capacity in the pilot province and pilot districts on what specific forests or forest zones to target in order to maximize potential carbon gains through a systematic site selection process. This would be conducted in the forests both in the Forest Estate managed by the MoFor as well as in those forests outside the estate. Additionally it will present the methodology to optimize site selection with regards incorporating co-benefits through overlay mapping with data and GIS systems on biodiversity hotspots, high conservation value forests and others such as water resources and watersheds, as well as MDG elements like poverty alleviation. Local communities need to play an important role in developing the priority setting toolkit. They have considerable knowledge about the local conditions which can enrich the quality of such a toolkit, and are often also (partially) dependent on the forest resources for their livelihoods, making it important to ensure that the toolkit and the decisions made are appropriate within the local context.

The mapping component of this tool could build upon the FRIS, whilst the review process of REDD sites through the national registry could make use of the system to optimize for site selection. Indicative activities include:

2.4.1 Reach agreement in Indonesia on partner agencies, data sources, GIS development and site selection criteria
2.4.2 Development and testing of the Priority Setting Toolkit (including short manual)
2.4.3 Mapping of below- & above-ground carbon, inside and outside the Forest Estate, based on existing data sources and linkages to NCAS/FRIS (a. national reconnaissance level; b. detailed pilot province level)
2.4.4 Overlay mapping and analysis co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) for national reconnaissance level and one detailed pilot province level.
2.4.5 (GIS) Training of provincial staff in use of Priority Setting Tool
2.4.6 Workshop on how to translate and integrate the results into local spatial planning process, national REDD policy, and decision taking

Outcome 3: Capacity established to implement REDD at decentralized levels

This outcome will enable Indonesia to demonstrate its commitment to a national approach with sub national implementation through capacity building for REDD at the district level, based on the REDD architecture developed under outcome 2. The project will develop capacity at the local government level through demonstrating the legal process of spatial planning in a number of districts in the demonstration province. Key partners will be the district government stakeholders such as the DPRD, Bappeda, forestry services, agriculture and rural advisory services. Of particular importance wil be to involve and enhance the capacity of the FMU in this respect, as it is foreseen that FMUs can become instrumental to successful implementation of REDD at the local level. Therefore, throughout the process of implementing outcome 3, the establishment of FMUs will be supported. To build the capacity of FMUs in terms of software and hardware, FMUs will be requested to implement a number of the activities under outcome 3. To achieve the outcome, the following outputs will be pursued:

Output 3.1 (UNDP) Capacity for spatial socio-economic planning incorporating REDD at the district level

This output builds on recent spatial planning law (Law 26/2007) and Forest Law 41/1999 which provide clear guidelines on allocation land to key functions. Agreement on spatial planning is crucial to move forwards on demarking forest area and other land use categories.

The exact location of the demonstration site will be further considered taking into account various factors, including deforestation rates. Criteria to select districts as demo sites will be developed through stakeholder consultations involving stakeholders from national, province and district levels.

A district REDD mainstreaming tool will be developed and will assist district governments, FMUs, communities, and private forest managers to optimize carbon yields and thus generate maximum REDD benefits. Indicative activities include:

3.1.1 Develop a comprehensive baseline dataset and identify areas of REDD-eligible forest
3.1.2 Analyze opportunity costs of alternative land uses
3.1.3 Analyze the potential socio-economic impacts of REDD on communities
3.1.4 Mainstream REDD into existing spatial planning and forest utilization planning at provincial and district levels
3.1.5 Develop district based consensus on land – and forest use allocation at district and provincial levels.
3.1.6 Approve the REDD mainstreamed spatial plan.

Output 3.2 (UNDP) Empowered local stakeholders are able to benefit from REDD

For REDD to be effective, local stakeholders, consisting of local communities and local institutions (governmental and non-governmental) need to have the capacity and tools to ensure that effective and fair mechanisms are being established and implemented. In the case of developing social forestry under REDD, this would include for example include the capacity of an FMU to verify that payments to local communities surrounding that FMU are consistent with reductions in deforestation and forest degradation the communities claim have achieved..Furthermore, it needs to be ensured that all stakeholders fully understand both their rights and their obligations under a REDD regime. Capacity also needs to be developed to ensure proper action can be taken when rights or obligations are breached. Throughout this output, a participatory approach will be applied and stakeholders will be invited to actively participate in the process. Indicative activities to achieve this output include:

3.2.1 Capacity needs assessment
3.2.2 Design of capacity building & training
3.2.3 Training of trainers

3.2.4 Conduct of training and other capacity building activities
3.2.5 Assessment of follow-up activities required to improve and sustain capacity

Output 3.3 (UNDP) Multi-stakeholder-endorsed District plans for REDD implementation

In the pilot province, interest will be sought from five districts to prepare for implementation of REDD and demonstrate pilot activities. This will be based on setting initial indicators with emphasis on poverty, forest cover and carbon density of forest (above ground biomass) through spatial planning tools based on the provincial NCAS-I.. The selection process will be transparent and guided by a selection committees composed of representatives from MoFor, DNPI (national Climate Change Committee), MoHA (Ministry of Home Affairs) and UN-REDD.

The pre-selected districts will be asked to develop a proposal for preparing for REDD implementation and piloting of REDD activities which outlines clear commitments in willingness to make changes in spatial planning and sufficiently strong track record in management of payment schemes such as PNPM. The districts will be asked to present their proposals to a selection committee which will set transparent indicators for selection. After final selections, UNREDD will start engaging and work with the selected districts towards preparation for implementation of REDD and pilot activities. Indicative activities include:

3.3.1 Assess five districts in which REDD is most feasible
3.3.2 Socialize REDD to these districts
3.3.3 Invite these districts to present their proposals and ensure political readiness to implement REDD
3.3.4 Agree with the selected district on an implementation framework.

A logical framework matrix of the outcomes and outputs are presented in Table 2 below followed by a Summary of Results framework (Table 3). The logical framework matrix provides the expected results (Objective, Outcomes and Outputs) of the Indonesia UN-REDD programme, together with quantitative indicators, including baseline values and time-bound targets. It also describes the means of verification and risks and assumptions associated with each result. The Summary of Results framework (Table 3) identifies the responsible UN agency for each Output and the implementing partner.

Table 2. Logical Framework Matrix. The indicators reflect the indicative activities mentioned above in the results framework. In some cases, two indicators have been identified for one indicative activity.

Result	Implementing Partner	Related activities	Indicator	Baseline	Proposed target	Means of verification	Risks and assumptions
Outcome 1: Strengthen multi-stakeholder participation and consensus at national and provincial level		• IFCA • REDD working group MoFor • DNPI LULUCF coordination program	• Components of REDD architecture and policies in place • REDD pilots running	• Few policies, but not operational yet • Pilots in early stage • Delays in investments	• By end 2009 policy hurdle for REDD demonstration removed • By end 2010 new and effective policies endorsed	Policy documents issued; interviews with key government officials and national NGOs	The REDD policy development is not dramatically interrupted by election and possible change in administration Government and local partner agencies cooperate effectively
Outputs:							
1.1. Consensus on key issues for national REDD policy	• MoFor/GoI	• National working group REDD • Program of DNPI • IFCA process	1.1.1 UNREDD Programme operational 1.1.2 National and sub-national consultations on key-issues organized 1.1.3 Key issues analyzed 1.1.4 Inter-ministerial round table discussions organized 1.1.5 Policy recommendations on at least 2 key-issues prepared 1.1.5 Roadmap for issuing policies on key-issues developed	• DNPI and MoFor have established REDD related working groups. • Mandates and responsibility of MoFor and DNPI working groups have not been detailed and harmonized yet. • IFCA analysis need further actions/studies.. • Few policies, but not operational yet. • Some demo initiatives are on going. Status of demonstration projects has not been reported yet. • REDDI Strategy • Roadmap to REDD implementation has not been developed.	<u>December 2009</u> 1.1.1 UNREDD Programme operational 1.1.2 Two national consultation on 2 key-issues organized <u>December 2010</u> 1.1.2 Two national and 4 sub-national consultations on 2 key-issues organized 1.1.3 Two key issues analyzed 1.1.4 At least 6 inter-ministerial round table discussions on 2 key issues 1.1.5 Policy recommendations on at least 2 key-issues prepared	▪ Progress reports ▪ MoM ▪ Workshop proceedings ▪ Publications ▪ Policy recommenda-tions	Single agencies dominate the process Elections may change the political landscape on REDD Commitment from all partners Institutional relationships strengthened

Outputs:	Implementing Partner	Related activities	Indicator	Baseline	Proposed target	Means of verification	Risks and assumptions
					1.1.5 Roadmap for issuing policies on 2 key-issues developed		
1.2. REDD lessons learnt	MoFor/GoI	• IFCA process • R-PLAN • Other demonstration activities (AIFCP and GTZ-KfW) • KpSHK, ICRAF, CIFOR	1.2.1 National knowledge & learning network established 1.2.2 Mechanism established to cooperate with local initiatives 1.2.3 Joint workshops organized 1.2.4 A publication on lessons learned prepared 1.2.4 A publication on lessons learned disseminated	• Some NGOs have developed REDD related initiatives. Others are willing to do so but have constraints on funding. • Private sector intends to participate in REDD related activities. • Bilateral REDD initiatives are on going. • Experience and lessons of local communities and CSOs are not widely disseminated	<u>December 2009</u> 1.2.1 Framework for a national knowledge & learning network proposed 1.2.2 Terms of Reference for mechanism to cooperate with local initiatives developed <u>December 2010</u> 1.2.1 National knowledge & learning network established 1.2.2 Mechanism to cooperative with local initiatives operational 1.2.2 Cooperation with 5 local initiatives confirmed 1.2.3 Six joint workshops organized 1.2.4 One publication on lessons learned prepared 1.2.4 One publication on lessons learned disseminated	▪ Website ▪ Workshop proceedings ▪ Progress reports ▪ Publications ▪ Lessons learned disseminated at at COP15 ▪ Lessons learned disseminated at at COP16 ▪ Letter of Agreements with local initiatives	REDD implementers are unwilling to share experiences/technologies due to commercial or political interests

Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
1.3 Communications Programme	• MoFor/Go	• WB communications program • Green KDP/PNPM (national. community empowerment program) • KpSHK on peatland event	1.3.1 Agreement on target messages reached 1.3.1 Target groups identified 1.3.2 Awareness impact monitoring system designed 1.3.2 Baseline established 1.3.2 Impact assessed (at completion) 1.3.3 Social marketing campaign designed 1.3.4 REDD information, education and communication materials (IEC) developed 1.3.5 National communications campaign conducted 1.3.5 high-level GoI - UN conference or panel discussion organized 1.3.6 Training on REDD for local level actors conducted	• Awareness on REDD remains limited to few key agencies at central government level. • Various policies endanger prospect and sustainability of REDD, like expansion palm oil on peat and allowing the use of timber from natural forests for pulp and paper • Training on REDD related to sub-national levels are limited. • E-data at MoFor, DNPI, UN are not well updated. •	<u>December 2009</u> 1.3.1 Agreement on target messages reached 1.3.1 Target groups identified 1.3.2 Awareness impact monitoring system designed 1.3.2 Awareness baseline established 1.3.3 Framework for social marketing campaign drafted 1.3.4 Outline of REDD information, education and communication (IEC) materials prepared 1.3.6 Training needs on REDD for local level actors identified <u>December 2010</u> 1.3.2 Impact of communication campaign assessed 1.3.3 Social marketing campaign designed 1.3.4 REDD information, education and communication materials developed 1.3.5 National communications	▪ Awareness baseline study results ▪ Midterm assessment ▪ End-of-project assessment ▪ Media reports ▪ IEC materials	Government supports targeting controversial forestry issues, like oil palm expansion, mining and illegal logging

					campaign conducted		
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
					1.3.5 One high-level GoI - UN conference or panel discussion organized 1.3.6 Training on REDD for local level actors conducted		
Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture		• DGPLAN Province • BAPPEDA province • Centers of Applied Research in Rural Development • Universities • NGOs	• On province has improved MRV system supporting NCAS • Provisional REL successfully demonstrated	• Currently there are no provincial MRV system but it is requirement for sub national implementation • NFI (1989-1997) • FRA (2005)	• By the end of 2010 of provisional REL completed for a province • By 10/2010 NFI system redesigned and MRV demonstrated at the provincial level	Progress reports; Regulations and other documentation; System design documents;	Capital investments and training are delivered in a timely fashion Institutional coordination is effective
2.1 Improved capacity and methodology design for forest carbon inventory within a Monitoring, Assessment, Reporting and Verification System (MRV), including sub-national pilot implementation	MoFor/GoI	• FAO FRA • AIFCP: FRIS, NCAS, FIREWATCH • JICA • KfW/GTZ • EU-FLEGT • National universities • South Dakota State Univ., ITC Netherlands • NGO activities by amongst others TROPENBOS, WRI, SEKALA • ICRAF, CIFOR on REDD ALERT • NCASI and FRIS of AusAID	2.1.1 Existing standards and methodologies in MRV reviewed 2.1.2 Measurement protocols and sampling design for a national forest carbon inventory developed 2.1.3 forest carbon inventory in pilot provinces implemented 2.1.4 Methods for Reporting and Verification developed 2.1.5 Reporting and Verification in pilot provinces implemented 2.1.6 Workshop on MRV Training methodology organized	• NFI (1989-1997) are outdated and need to be further developed • Baseline for socioeconomic data in NFI does not exists	<u>December 2009</u> 2.1.1 Review of existing standards and methodologies in MRV published 2.1.2 Outline for measurement protocols and sampling design for a national forest carbon inventory prepared 2.1.3 Terms of Reference for forest carbon inventory in pilot provinces prepared 2.1.4 Outline for methods for Reporting and Verification prepared 2.1.6 Workshop on	• Progress reports • Regulations • Training materials • Workshop proceedings • Publications	Sufficient staff, equipment and other resources are dedicated to the task Adequate methodology selected for demonstration of MRV There is a need for a clear data management and data sharing policy among information providers and users

					MRV Training methodology		
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
					organized <u>December 2010</u> 2.1.2 Measurement protocols and sampling design for a national forest carbon inventory developed 2.1.3 forest carbon inventory in pilot provinces implemented 2.1.4 Methods for Reporting and Verification released 2.1.5 Reporting and Verification in pilot provinces implemented		
2.2 Reference emissions level (REL) proposed at the provincial level	• MoFor/GoI	AIFCP:FRIS & NCAS; ICRAF/DGPLAN ICRAF, CIFOR on REDD ALERT	2.2.1 REL methodologies reviewed 2.2.2 Methodological options to establish REL at national and sub-national scale developed 2.2.3 Data to support development of REL compiled 2.2.4 Provisional REL in the pilot province assessed 2.2.5 Provisional REL scientifically peer reviewed 2.2.6 Stakeholder consultations on REL	• Some data analysis exist within DGPLAN but incomplete • No Baseline for Carbon Emission at the national and sub-national level exists • Existing NFI data not calculated for REDD • No scenario exists	<u>December 2009</u> 2.2.1 Review of REL methodologies published 2.2.2 Outline for methodological options to establish REL at national and sub-national scale prepared 2.2.3 Data to support development of REL compiled <u>December 2010</u> 2.2.2 Methodological options to establish REL at national and sub-national scale released	• Progress reports • Technical reports • Publications • Workshop proceedings	Basic information is available (satellite images, reference data) Authorities are willing to co-operate Implementing partners are capable to allocate skillful staff

			methodological approach and provincial provisional		2.2.4 Provisional REL		
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
			REL organized 2.2.7 REL methodological approach and provincial provisional REL scientifically peer reviewed		in the pilot province released 2.2.5 Peer review of Provisional REL completed 2.2.6 At least 4 stakeholder consultations on REL methodological approach and provincial provisional REL organized 2.2.7 Peer review of REL methodological approach and provincial provisional REL completed		
2.3. Harmonized fair and equitable payment mechanism at provincial level	• MoFor/GoI	• Voluntary REDD pilots and district governments • PNPM program • PES and BD conservation initiatives	2.3.1Existing payment systems compiled 2.3.2 Benefits and constraints of existing systems analyzed and reviewed 2.3.3 Options for modifications to meet requirements of a REDD payment system developed 2.3.4 Stakeholder consultations organized 2.3.5 A REDD payment system created 2.3.6 Local institutions trained	• No REDD payment distributions systems for all types of credits • Role of district government unclear	<u>December 2009</u> 2.3.1Information about existing payment systems compiled 2.3.2 Outline for a review on benefits and constraints of existing systems prepared 2.3.3 Terms of Reference for developing options for modifications to meet requirements of a REDD payment system prepared 2.3.4 One stakeholder consultations organized <u>December 2010</u> 2.3.2 Analytical report	▪ Progress reports ▪ Publications ▪ Workshop proceedings ▪ MoM ▪ ToRs	No national legislation enabling the payment system(s) Lack up-front payments impacting local commitments

					on benefits and constraints of existing		
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
					systems published 2.3.3 Options for modifications to meet requirements of a REDD payment system developed 2.3.4 Three stakeholder consultations organized 2.3.5 A REDD payment system created 2.3.6 Local institutions trained		
2.4 Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, at the provincial level	• MoFor/GoI	• AIFCP FRIS & NCAS • Queensland Univ & James Cook University • Global Canopy Program • EU-ICRAF project, • ICRAF, CIFOR, CI, WWF, TNC, WI	2.4.1 Agreement on agencies, data sources, GIS development and site selection criteria reached 2.4.2 The Priority Setting Toolkit (including short manual) developed 2.4.3 Below- & above-ground carbon, inside and outside the Forest Estate mapped 2.4.4 Co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) mapped 2.4.4 Co-benefits maps analyzed 2.4.5 Provincial staff	• No national nor provincial site selection process, IFCA provides guidelines only • No DSS to make feasible investment decisions • Draft criteria for site selection indicated in IFCA (2007)	<u>December 2009</u> 2.4.1 Agreement on agencies, data sources, GIS development and site selection criteria reached 2.4.2 Outline for the Priority Setting Toolkit developed 2.4.3 Terms of reference for mapping below- & above-ground carbon, inside and outside the Forest Estate prepared 2.4.4 Outline for mapping co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) prepared	▪ Project reports ▪ Manual of Toolkit translated in Bahasa Indonesia ▪ Maps ▪ MoM	RS coverage pilot province not available or not in time for analysis MoFor departments unwilling to exchange data sets, and share with FORDA Climate Change impacts lead to significant changes in forest ecology.

			trained in the use of Priority Setting Tool				
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
			2.4.6 Workshop organized on co-benefits, local spatial planning, and national REDD policy		<u>December 2010</u> 2.4.2 The Priority Setting Toolkit (including short manual) developed and published 2.4.3 Below- & above-ground carbon, inside and outside the Forest Estate mapped 2.4.4 Co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) mapped 2.4.4 Co-benefits maps analyzed and published 2.4.5 Provincial staff trained in the use of Priority Setting Tool 2.4.6 Workshop organized on co-benefits, local spatial planning, and national REDD policy		
Outcome 3: Capacity established to implement REDD at decentralized levels		• GTZ forest and climate program; • Australian Indonesia Forest & Climate Partnership • FCFP: (Facility for Carbon Forest Partnership) • Voluntary projects • Potential A/R investments	• Local government programs and policies on REDD • Awareness level on REDD with decision makers • # of districts REDD ready	• Weak awareness and understanding pro-contra of REDD • No integrated approach to carbon stock management at district level • Limited understanding on how REDD impacts on local supply level	• By end of 2010 district spatial plan endorsed by DPRD for 2-3 districts • Awareness levels • One district is REDD ready	Capacity and awareness impact surveys Spatial plan ready + implementation plan	Bupati/DPRD willing to make changes in forest use and status REDD commitment is not dependent on Bupati only but based on stakeholder wide

				requires A/R investment			Commitment.
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
3.1 Capacity for spatial socio-economic planning incorporating REDD at the district level	MoFor/GoI	• TGHK forestry mapping (MoFor); RTRD – spatial planning (PU); Kabupaten Development Program (WB)	3.1.1 a comprehensive baseline dataset developed 3.1.1 Areas of REDD-eligible forest identified 3.1.2 Opportunity costs of alternative land uses analyzed 3.1.3 Potential socio-economic impacts of REDD on communities analyzed 3.1.4 REDD integrated in existing spatial planning and forest utilization planning 3.1.5 District based consensus on land – and forest use allocation reached 3.1.6 The REDD mainstreamed spatial plan approved	• Ongoing conflicts TGHK with process RTRD • Few district spatial plans endorsed at national level	<u>December 2009</u> 3.1.1 a comprehensive baseline dataset developed 3.1.1 Areas of REDD-eligible forest identified <u>December 2010</u> 3.1.2 Opportunity costs of alternative land uses analyzed and published 3.1.3 Potential socio-economic impacts of REDD on communities analyzed and published 3.1.4 REDD integrated in existing spatial planning and forest utilization planning 3.1.5 District based consensus on land – and forest use allocation reached 3.1.6 The REDD mainstreamed spatial plan approved	▪ Reports ▪ Minutes of consultations ▪ Maps ▪ draft spatial plan	Forestry authorities willing to participate and go for consensus Priority setting tool ready and applied
3.2 Empowered local stakeholders are able to benefit from REDD	• MoFor/GoI	KDP (WB); various other social development programs pending district chosen	3.2.1 Capacity needs assessment made 3.2.2 Capacity building & training modules developed 3.2.3 Trainers have been trained 3.2.4 Training and other	• Low awareness and high level of misconception REDD at village and district level • All REDD proposals driven by foreign agencies	<u>December 2009</u> 3.2.1 Capacity needs assessment made 3.2.2 Outline for capacity building & training modules prepared <u>December 2010</u> 3.2.2 Capacity building	▪ Progress reports ▪ Publications ▪ Awareness & capacity impact studies at mid- and end- term	Baseline established at inception

			capacity building activities have been		& training modules developed		
Outputs:	**Implementing Partner**	**Related activities**	**Indicator**	**Baseline**	**Proposed target**	**Means of verification**	**Risks and assumptions**
			Implemented 3.2.5 Follow-up activities required to improve and sustain capacity have been assessed		3.2.3 Trainers have been trained 3.2.4 Training and other capacity building activities have been implemented 3.2.5 Follow-up activities required to improve and sustain capacity have been assessed		
3.3 Multi-stakeholder-endorsed District plans for REDD implementation	• MoFor/GoI	ongoing RTRD (spatial planning at district)	3.3.1 Five districts in which REDD is most feasible identified 3.3.2 REDD socialized to these districts 3.3.3 Districts developed proposals to implement REDD 3.3.3 Districts show political commitment to implement REDD 3.3.4 For at least one district, agreement on an implementation framework for REDD reached	• Few district spatial plans endorsed at national level	<u>December 2009</u> 3.3.1 Five districts in which REDD is most feasible identified <u>December 2010</u> 3.3.2 REDD socialized to 5 districts 3.3.3 Five districts have developed proposals to implement REDD 3.3.3 Districts show political commitment to implement REDD 3.3.4 For at least one district, agreement on an implementation framework for REDD reached	▪ Progress reports ▪ MoM ▪ Workshop proceedings ▪ Policies issued ▪ Perda on RTRD	DPRD approves district based spatial plans,

Table 3: Summary of Results framework

JP Results	Responsible UN org	Reference to CP	Implementing Partner	Indicative activities for each outputs	Resources allocation	
					Y1	Y2
Outcome 1: Strengthen multi-stakeholder participation and consensus at national and provincial level						
1.1 Consensus on key issues for national REDD policy development	UNDP	By 2010 improved environmental living conditions and sustainable use of energy in Indonesia, and establishment of sustainable living conditions in the poorest provinces	MoFor/GoI	1.1.1 UN REDD Programme Management Unit facilitating multi-stakeholder activities 1.1.2 National and sub-national consultations on key-issues 1.1.3 Analyze key issues focusing on those related to REL 1.1.4 Facilitate inter-ministerial round table discussions on identified issues 1.1.5 Prepare policy recommendations & develop roadmap for issuing policies to address these issues	190,000	310,000
1.2 REDD lessons learned	UNDP	As above	MoFor/GoI	1.2.1 Establish national knowledge & learning network 1.2.2 Collaboration with projects to stimulate coordination and joint learning 1.2.3 Organize joint workshops 1.2.4 Prepare publication on lessons learned	100,000	300,000
1.3 Communications Programme	UNEP	As above	MoFor/GoI	1.3.1 Identify target messages, target groups and national partners 1.3.2 Design awareness impact monitoring system, establishing baseline, and assessing impact at completion 1.3.3 Design of social marketing campaign, focus on high level government decision makers, as well as local resource users in the pilot districts 1.3.4 Develop REDD information, education and communication materials 1.3.5 Conduct national communications campaign targeting one or two drivers of deforestation (incl. high-level GoI - UN conference or panel in JKT) 1.3.6 Conduct training on REDD -emphasize local level actors	176,000	524,000

Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture	**Responsible UN org**	**Reference to CP**	**Implementing Partner**	**Indicative activities for each outputs**	**Resources allocation**	
					Y1	**Y2**
2.1 Improved capacity and methodology design for forest carbon inventory within a Measurement, Reporting and Verification System (MRV), including sub-national pilot implementation	FAO	As above	MoFor/GoI	2.1.1 Review on existing standards and methodologies in MRV at national and sub-national levels; 2.1.2 Development of measurement protocols and sampling design for a national forest carbon inventory with reporting capability at provincial level, building on the existing Indonesian national forest inventory system; 2.1.3 Implementation of the forest carbon inventory in pilot provinces to assess carbon stock and carbon stock changes; 2.1.4 Development of methods for Reporting and Verification at sub-national level, consistent with national reporting requirements; 2.1.5 Implementation of Reporting and Verification in pilot provinces 2.1.6 Workshop: Identification of additional data needs concerning socioeconomic aspect in MRV Training in monitoring and assessment methodology (with AusAid)	200,000	750,000
2.2 Reference emissions level (REL) proposed at the provincial level	FAO	As above	MoFor/GoI	2.2.1 Review of methodologies for establishing REL at national and sub-national level 2.2.2 Development of methodological options to establish REL at national and sub-national scale 2.2.3 Compilation of data to support development of REL 2.2.4 Assessment of a provisional REL in a pilot province 2.2.5 Scientific peer review of provisional REL 2.2.6 Stakeholder consultations on REL methodological approach and provincial provisional REL 2.2.7 Scientific peer review of REL methodological approach and provincial provisional REL	65,000	385,000
2.3 Harmonized fair and equitable payment mechanism at provincial level	UNDP	As above	MoFor/GoI	2.3.1 Compilation existing payment systems 2.3.2 Analysis/review of benefits and constraints of existing systems 2.3.3 Options for modifications to meet requirements of a REDD payment system 2.3.4 Stakeholder consultations 2.3.5 Integration of modifications to create a REDD payment system 2.3.6 Training of local institutions	65,000	335,000
2.4 Toolkit for priority setting towards maximizing potential Carbon-benefits and	UNEP	As above	MoFor/GoI		145,000	230,000

	Responsible UN org	Reference to CP	Implementing Partner	Indicative activities for each outputs	Resources allocation	
					Y1	Y2
incorporating co-benefits, at the provincial level				2.4.1 Reach agreement in Indonesia on partner agencies, data sources, GIS development and site selection criteria 2.4.2 Development and testing of the Priority Setting Toolkit (including short manual) 2.4.3 Mapping of below- & above-ground carbon, inside and outside the Forest Estate, based on existing data sources and linkages to NCAS/FRIS (a. national reconnaissance level; b. detailed pilot province level) 2.4.4 Overlay mapping and analysis co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) - level a. and b. (one province only) 2.4.5 (GIS) Training of provincial staff in use of Priority Setting Tool 2.4.6 Workshop on how to translate and integrate the results into local spatial planning process, national REDD policy, and decision taking		Y
Outcome 3: Capacity established to implement REDD at decentralized levels						
3.1 Capacity for spatial socio-economic planning incorporating REDD at the district level	UNDP	As above	MoFor/GoI	3.1.1 Develop a comprehensive baseline dataset and identify areas of REDD-eligible forest 3.1.2 Analyze opportunity costs of alternative land uses 3.1.3 Analyze the potential socio-economic impacts of REDD on communities 3.1.4 Mainstream REDD into existing spatial, forest utilization and FMU planning at District level 3.1.5 District based consensus on land – and forest use allocation, 3.1.6 Approve the REDD mainstreamed spatial plan	40,000	610,000
3.2 Empowered local stakeholders are able to benefit from REDD	UNDP	As above	MoFor/GoI	3.2.1 Capacity needs assessment 3.2.2 Design of capacity building & training 3.2.3 Training of trainers 3.2.4 Conduct of training and other capacity building activities 3.2.5 Assessment of follow-up activities required to improve and sustain capacity	50,000	500,000
3.3 Multi-stakeholder-endorsed District plans for REDD implementation	UNDP	As above	MoFor/GoI	3.3.1 Assess five districts in which REDD is most feasible 3.3.2 Socialize REDD to these districts 3.3.3 Invite these districts to present their proposals and ensure political readiness to implement REDD 3.3.4 Agree with the selected district on an implementation framework.	50,000	250,000

UNDP	Programme Cost **	495,000	2,305,000
	Indirect Support Cost**	34,650	161,350
UNEP	Programme Cost	321,000	754,000
	Indirect Support Cost	22,470	52,780
FAO	Programme Cost	265,000	1,135,000
	Indirect Support Cost	18,550	79,450
Totals	**Programme Cost**	**1,081,000**	**4,194,000**
	Indirect Support Cost	**75,670**	**293,580**
	TOTALS	1,156,670	4,487,580
	GRAND TOTAL	**5,644,250**	

Note: Resources allocated to each output are exclusive of programme management costs

6. Management and Coordination Arrangements

The Lead Implementing Partner of this Programme will be the Ministry of Forestry. A national implementation management approach of the UN will be used to run the programme / project. A National Project Director (NPD) will be appointed by the GoI. The NPD will direct the programme and carry overall accountability on behalf of the GoI for the programme to the Project Executive Board (PEB; see below). The overall programme and each specific activity will be implemented under the leadership of the GoI, represented by the NPD.

The programme will be managed in accordance with the 2003 UNDG Guidance Note on Joint Programming[11] and executed by several "National Implementing Partners", including the Ministry of Forestry, Provincial and District agencies, through the participating UN Agencies, i.e. UNEP, FAO, and UNDP. Each of those Implementing Partners is accountable to the Lead Implementing Partner relating to the funds released for the delivery of a specific set of outputs and for management of inputs.

The programme will be run and managed following the UN guidance on programme structure. There will be three main components in the programme structure, namely Programme Executive Board (PEB), Project Management Unit (PMU), and Programme Assurance.

Programme Executive Board (PEB)

A Programme Executive Board will be established by the Ministry of Forestry in consultation with Bappenas, and other key-stakeholders as deemed necessary, as well as the UN Resident Coordinator (UNRC), to guide and oversee the NJP. The PEB will be chaired by the Ministry of Forestry and co-chaired by a designate of UNRC. Members of the PEB will include; representatives of BAPPENAS, FAO, UNDP, UNEP, and the Embassy of Norway. If deemed necessary, the PEB can invite observers and / or resources persons to participate in the PEB meetings. The PEB will meet at least 3 times per year to ensure effective project implementation. The PEB will provide overall guidance and be responsible for the effective implementation of the programme, the approval of all detailed work plans, budgets, and monitoring and evaluation. PEB decisions will be reached by consensus. Specific responsibilities include:

a. Provide policy directions to the Programme Management Unit (PMU) on substance, operations, and finance
b. Review and approve Standard Operating Procedures and Mechanisms
c. Approve Annual Work Plan (AWP) including proposed activities as prepared by the PMU
d. Approve draft reports to Global UN-REDD Policy Board prepared by the PMU
e. Coordinate with other REDD related initiatives at policy level
f. Approving the NJP communication strategy and public information plans prepared by the PMU

UN Resident Coordinator (UNRC) and UN Programme Assurance Team

As part of the PEB co-chair role, the UN Resident Coordinator provides leadership, coordination and on-going oversight to the UNREDD Programme, particularly ensuring the participating UN Agencies are meeting their obligations as agreed by the PEB. He/she also facilitates ongoing monitoring and evaluation of UN-REDD activities in conformity with UN standards. The UNRC will be supported by a team of Jakarta based UN Staff for programme assurance. The Programme Assurance Team with the MoFor will i) conduct monthly discussions with their counterparts from the Ministry of Forestry on progress made and issues to be resolved, ii) communicate and coordinate with the regional Centre of FAO, UNDP and UNEP and the respective headquarters, iii) report to the UNREDD Policy Board, iv) support the National Programme Director in working with the UN-agencies. The Programme Assurance Team will be assisted by technical experts from the regional centre of FAO, UNDP and UNEP in Bangkok and the respective headquarters

At the country level, all UN-agencies involved (FAO, UNDP and UNEP) carry equal responsibility. At the project level, the agencies are member of the PEB. Together with the GoI, each agency is responsible for the sound implementation of the outputs and budget allocated to the respective outputs (see table 3).

[11] http://www.undg.org/docs/2791/3599-Annex_C__Operational_details_for_pass-through_fund_management_for_joint_programmes_-_English_version.pdf

Technical Committee (TC)
A Technical Committee consisting of GoI Officials and Jakarta based UN-staff will be established and meet on a monthly basis to provide technical guidance to the project as necessary. The TC will also coordinate with other initiatives and agencies on technical matters related to REDD. As per identified needs, other agencies and institutions can be invited to discuss technical issues and share lessons learned.

National Programme Director (NPD)
MoFor will assign the Head of the Executing Agency under the MoFor as the National Programme Director. The NPD will oversee the programme and carries overall responsibility and accountability on behalf of the GoI for the programme to the Project Executive Board. She/he will establish and provide overall guidance to the Programme Management Unit (PMU), including recruitment of National Project Manager and organizational structure of the PMU. The NPD can appoint Deputy National Programme Director(s) to support him/her in his/her functions and delegate certain tasks if deemed necessary. The NPD is responsible for overseeing and approving the work undertaken by the National Project Manager and the team, which includes amongst other tasks the preparation of developing the relevant SOPs, mechanisms, AWPs, progress reports, M&E framework. The NPD will submit relevant documentation to the PEB for endorsement.

The NPD will also be responsible for financial reporting to the Ministry of Finance in accordance with existing regulations. The NPD will furthermore participate in UNREDD Policy Board meetings and reports on behalf of the GoI on progress made, issues, and next steps.

Programme Management Unit (PMU)

At the project management level, MoFor will create a Project Management Unit (PMU) responsible for the overall operational and financial management and reporting of the UNREDD funds in accordance with the rule and regulations for nationally implemented project. The PMU will manage day-to-day operations of the project, and will be based at the MoFor.

The PMU will be responsible for the overall day to day operational and financial activities, developing the relevant SOPs, mechanisms, AWPs, progress reports, M&E framework under supervision of the NPD, in close coordination with the implementing partners and key-stakeholders.

The PMU will also be responsible for preparing a quarterly workplan (QWP) using a unified workplan format and covering activities and inputs under all three Participating UN Agencies and MoFor. Quarterly progress reports will be prepared on activities and detailed expenditures, disaggregated by the responsible participating UN Agency. The QWP will be accompanied by a quarterly budget table, disaggregated by the responsible Participating UN Agency. It will also include the identification of specific procurement and recruitment activities to be undertaken by the Participating UN Agencies. The QWP and budget will be reviewed and agreed by the chair and co-chair of the PEB, in consultation with the members of the PEB.

The PMU will be responsible for the overall operational and financial management in accordance with financial rules and regulations imposed by UN for nationally Implemented Programmes. It will prepare quarterly progress reports, which are to be submitted to UNRC Indonesia. It will hold quarterly meetings with UNRC Indonesia to discuss a quarterly progress report, a quarterly work plan, a quarterly budget and any other relevant issues. It will also produce annual progress reports, which must be submitted to the PEB. At the end of the Programme, the PMU produces the terminal report, which is to be submitted to the PEB.

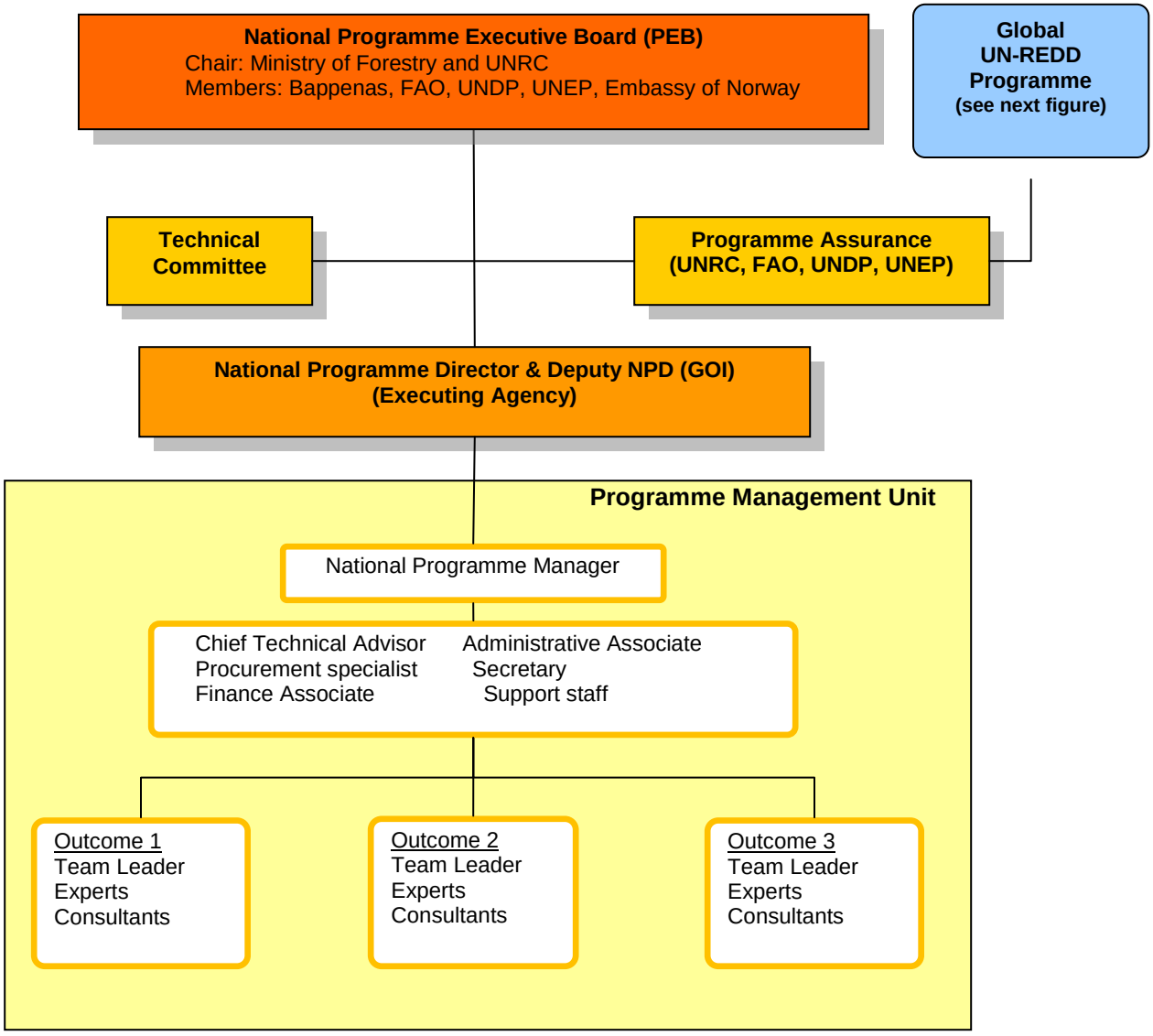
Guided by the NPD, the PMU will be comprised of a National Programme Manager (NPM) a Chief Technical Advisor~~,~~ three team leaders, a Procurement Specialist, Finance Associate, Administrative Associate, Secretary, experts, national and international consultants, support staff and (if deemed necessary) subcontractors The UNREDD NJP PMU organizational chart is shown below.

National Programme Manager (NPM)
A professional National Programme Manager will be recruited to ensure smooth implementation of the NJP on a daily basis. The NPM will be accountable for implementation of all activities of the project. This position will require outstanding management skills and experience, and thorough knowledge of both the UN and GoI rules and regulations. Furthermore, the position requires excellent language skills in both English and Bahasa

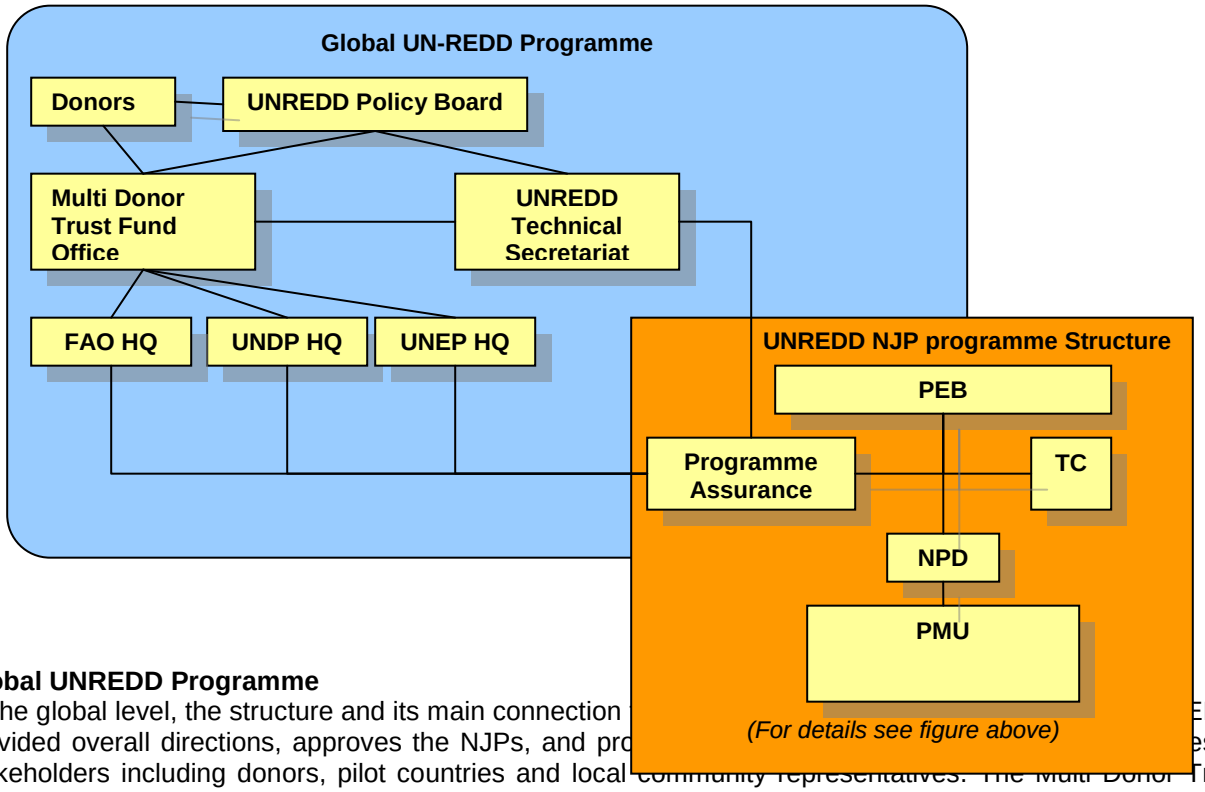
Indonesia (verbally and written). Supervised by the NPD/DNPD and the UNRC, he/she will be responsible for the day-to-day implementation of the project, preparation of progress reports, annual and quarterly workplans, budget approval, and coordination of activities, liase with other government department in policy development and implementation, liase the PMU Management and the MoFor, as the Executive Secretariatfor the PEB, and compliance with rules and regulations of both the GoI and the UN agencies where applicable.

She/he will be overseeing a team consisting of a Chief Technical Advisor , three team leaders, a Procurement Specialist, Finance Associate, Administrative Associate, Secretary, experts, national and international consultants support staff., and if needed, sub-contractors.

UNREDD NJP Programme Structure



Global structure for UNREDD



Global UNREDD Programme

At the global level, the structure and its main connection [illegible]EDD Policy Board provided overall directions, approves the NJPs, and pro[illegible]es raised by key-stakeholders including donors, pilot countries and local community representatives. The Multi Donor Trust Fund Office (MDTF) has been appointed as the fund manager. It receives the funds from the donor countries and will disseminate it to the UN agencies involved as per approved budget allocations for the respective pilot countries. It will collect and consolidate financial reports from the UN agencies and report progress to the UNREDD Policy Board and the donors. The UNREDD Secretariat will implement the global UNREDD programme, will coordinate between pilot countries, will liaise with the UN-agencies, MDTF, and the UN at the country level, will provide specialized technical support to the pilot countries, and will ensure monitoring and evaluation of the national programmes and its reporting to the UNREDD Policy Board. Headquarters of the respective UN Agencies will receive the funds from the MDTF and will ensure these will be made available to the pilot countries as per approved Annual Work Plans. They will provide backstopping support to the pilot countries and report to the MDTF on expenditures, delivery and issues. At the National level, the UN through its Programme Assurance role is the main gate for communication with the global UNREDD structure. Reporting on financial and substantive progress will be done by the UNRC and reports are subject to approval from PEB.

7. Execution modality and Fund Management Arrangements

The NJP will be executed through the National Implementation Modality (NIM) following all relevant Government regulations. The signed Project Document will serve as the Grant Agreement between the GoI and the UN, supported by the UN-REDD Policy Board decision to allocate the requested funds to the NJP. MoFor will register the programme following the appropriate mechanism and will request MoF to open a project bank account. To expedite the start of the initial activities, MoFor will request the UNRC for country support services from the UN allowing direct payment of goods and services required for undertaking the project activities.

In the case of all three UN Agencies, cash transfers will be according to the UN Harmonized Approach to Cash Transfers (HACT) as agreed at the global level. All Agencies agree that the specific modality of cash transfers will be determined on the basis of a joint micro-assessment to be conducted by the United Nations. The joint Micro-assessment will review the Implementing Partner and the UN agencies involved to identify the appropriate modality for sound financial and administrative management of the NJP.

At the global level, UNDP's Multi-donor Trust Fund Office (MDTF) has been designated as Administrative Agent ("fund manager") for UN-REDD. The funds from UN-REDD will be passed through from the Administrative Agent to the Participating UN agencies at headquarters' level in accordance with the MOU between the Global UN-REDD Programme and the Multi-donor Trust Fund Office. For more details on the MDTF is referred to UNDP web at http://www.undg.org/docs/2791/3599-Annex_C[12] .The disbursed funds from the MDTF to each Participating UN agency will be used by the Programme to carry out the activities for which each UN agency carries responsibility as stated in the NJP. If there is a need to exceed the budgeted amounts, the PEB will submit a supplementary budget request to the UN-REDD Policy Board, through the Technical Secretariat.

The budget includes a 7% General Management Services Costs (indirect costs) of each UN agency. In addition, costs for specialized backstopping support by UN-staff ("Specialized service delivery costs") can be charged directly to the joint programme. This will be in accordance with the respective Participating UN Agencies' policies. Backstopping support costs will amount to no more than 6% of the Participating UN Agency's budget allocation. A mechanism to use and report on the allocation for backstopping support will be developed and agreed upon during the first PEB meeting.

At country / project level, fund management will use the government mechanism (PP2/2006). The on budget off treasury approach will be implemented. All activities will be documented in the DIPA. Other arrangements not specified in the NJP will be based on applicable rules and regulations of GoI and the relevant UN agency, in consultation with the PEB.

Programme Procurement and Assets

All Programme asset and services shall be procured in line to GoI and UN rules and regulations. All assets shall at all time be in the custody of the PMU throughout the life of the Programme and remains the property of UN which upon closure of the Programme will be handed over to the Implementing Partner. The Programme policy on asset management and transfer of assets upon Programme closure will be decided by the PEB meeting at least 2 quarters before programme closure.

[12] http://www.undg.org/docs/2791/3599-Annex_C__Operational_details_for_pass-through_fund_management_for_joint_programmes_-_English_version.pdf

8. Monitoring, Evaluation and Reporting

The Indonesia UN-REDD programme is expected to last 20 months, and represents an initial phase in the process of supporting Indonesia to become REDD-ready by 2012. Based on table 2, a monitoring workplan has been prepared for 2009. The monitoring workplan for 2010 will be prepared by the PMU in the fourth quarter of 2009.

Table 4. Monitoring workplan 2009

Outputs	Indicator December 2009	Means of Verification
1.1 Consensus on key issues for national REDD policy development	1.1.1 UNREDD Programme operational 1.1.2 Two national consultations on 2 key-issues organized	Reports ToRs Contracts issued MoM Workshop proceedings
1.2 REDD lessons learned	1.2.1 Framework for a national knowledge & learning network proposed 1.2.2 Terms of Reference for a mechanism to cooperate with local initiatives developed	Reports ToR
1.3 Communications Programme	1.3.1 Agreement on target messages reached 1.3.1 Target groups identified 1.3.2 Awareness impact monitoring system designed 1.3.2 Awareness baseline established 1.3.3 Framework for social marketing campaign drafted 1.3.4 Outline of REDD information, education and communication (IEC) materials prepared 1.3.6 Training needs on REDD for local level actors identified	Reports Interview reports MoM
2.1 Improved capacity and methodology design for forest carbon inventory within a Monitoring, Assessment, Reporting and Verification System (MRV), including sub-national pilot implementation	2.1.1 Review of existing standards and methodologies in MRV published 2.1.2 Outline for measurement protocols and sampling design for a national forest carbon inventory prepared 2.1.3 Terms of Reference for forest carbon inventory in pilot provinces prepared 2.1.4 Outline for methods for Reporting and Verification prepared 2.1.6 Workshop on MRV Training methodology organized	Reports ToR Workshop proceedings
2.2 Reference emissions level (REL) proposed at the provincial level	2.2.1 Review of REL methodologies published 2.2.2 Outline for methodological options to establish REL at national and sub-national scale prepared 2.2.3 Data to support development of REL compiled	Reports Publication
2.3 Harmonized fair and equitable payment mechanism at provincial level	2.3.1Information about existing payment systems compiled 2.3.2 Outline for a review on benefits and constraints of existing systems prepared 2.3.3 Terms of Reference for developing options for modifications to meet requirements of a REDD payment system prepared 2.3.4 One stakeholder consultations organized	Reports Workshop proceedings ToR
2.4 Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, at the provincial level	2.4.1 Agreement on agencies, data sources, GIS development and site selection criteria reached 2.4.2 Outline for the Priority Setting Toolkit developed 2.4.3 Terms of reference for mapping below- & above-ground carbon, inside and outside the Forest Estate prepared 2.4.4 Outline for mapping co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) prepared	MoM Reports Maps ToR
3.1 Capacity for spatial socio-economic planning incorporating	3.1.1 a comprehensive baseline dataset developed 3.1.1 Areas of REDD-eligible forest identified	Reports MoM

REDD at the district level		Maps
3.2 Empowered local stakeholders are able to benefit from REDD	3.2.1 Capacity needs assessment made 3.2.2 Outline for capacity building & training modules prepared	Reports MoM
3.3 Multi-stakeholder-endorsed District plans for REDD implementation	3.3.1 Five districts in which REDD is most feasible identified	Reports Maps MoM

Monitoring of risk

As part of the project assurance functions, the Risk Log and Issue Log will be reviewed on a quarterly basis (Table 5). In the case of any changes in risk and issue status, these will be discussed with the PMU for Counter Measures/Management Response..The revised Risk Log and Issue Log will be sent to the MoFor and all participating UN agencies for their information and if needed, action.

Evaluation, Annual/Regular reviews:

The global UNREDD Technical Secretariat (based in Switzerland) will establish an Evaluation Plan which ensures that all country programmes supported by the UN-REDD Programme will undertake a final evaluation. This will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the UNREDD Technical Secretariat will lead thematic reviews for all programmes.

Reporting by the participating UN Agencies

Coordinated by the UNRC, the Participating UN Agencies will provide narrative reports on results achieved, lessons learned and the contributions made to the Joint Programme. The information shall be consolidated by the UNRC Office into a narrative report every 6 months, and sent to the PEB for review and endorsement. The NPD or the UNRC will forward the report to the Global UN REDD Technical Secretariat that will use it to provide the Policy Board updates on the implementation progress of the NJP.

At the global level, the Administrative Agent will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate.

Reporting at the international level

In consultation with the PEB, participating UN Agencies in receipt of UN-REDD resources will provide the MDTF Office (the fund manager) with the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than two months after the end of the applicable reporting period;
- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than three months after the end of the applicable reporting period;
- A final narrative report and financial report, after the completion of all Joint Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Joint Programme activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

The MDTF Office shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Agency, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the Technical Secretariat.

Subsequently, in accordance with the MOU and the Standard Administrative Arrangement, the MDTF Office will submit consolidated narrative and financial reports to all UN-REDD Programme donors. Agreed standard UNDG financial and progress reporting formats will be utilized. The Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

Information given to the press, to the beneficiaries of the UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

Table 5: RISK LOG: UN-REDD Programme for Indonesia

#	Description	Date Identified	Type	Probability (P) & Impact (I)*	Counter measures / Management response	Owner	Submitted/updated by	Last Update	Status
1	Commitment of the GoI towards implementing REDD does not remain firm	Programme formulation	Political	Lacking high-level support, progress in programme implementation would be slow, REDD-readiness would not be achieved, and the viability of REDD as an approach to CC mitigation and forest conservation undermined 1 (P) x 4 (I) = 4	Linking the programme to the National Target Programme on CC, which has very strong political support, reduces this risk	UNDP CO will monitor	Programming mission team leader	May 2009	Stable
2	Government agencies do not cooperate and coordinate activities effectively	Programme formulation	Organizational	Failure of government agencies, including departments of MoFor, to cooperate would slow, but would not prevent progress towards REDD-readiness. A perception of institutional competition would reduce overall commitment to REDD 3 (P) x 4 (I) = 12	Discussions with other agencies, especially the DNPI, took place during formulation. Key partners will be involved in the PEB	Programme manager will be responsible for reporting to UNRC on any early indications of lack of coordination	Programming mission team leader	May 2009	Stable
3	Donor coordination (most importantly, with FCPF and AusAID) is ineffective	Programme formulation	Organizational	Lack of donor coordination would restrict the flow of funds to assist in the progress towards REDD-readiness. As the UN-REDD programme was formulated as part of a larger partnership in developing REDD-readiness, this could limit the benefits of the programme 2 (P) x 3 (I) = 6	The interim working group, which will include donor representatives, will promote coordination. Active exchange of information will be maintained with FCPF, including joint missions whenever possible	UN agencies in-country; UN agency regional coordinators/ advisors	Programming mission team leader	May 2009	Stable
4	Sub-national	Programme	Political	It is inevitable that there will	Formulation of the	Programme	Programming	May 2009	Stable

	authorities do not share central government's commitment to REDD	formulation		be variation in the level of commitment among sub-national partners; where commitment is low, developing capacity to implement REDD will be slow. Ultimately, it is to be expected that national implementation of REDD will need to take account of poor progress in some provinces/districts 3 x 3 9 P x I	programme took this risk into account by selecting a pilot province and pilot Districts where commitment is known to be high	manager will be responsible for reporting to UNRC on any early indications of lack of commitment at pilot sites	mission team leader		
5	Programme inputs (funds, human resources, etc.) are not mobilized in a timely fashion	Programme formulation	Operational	Most of the outputs in the programme logframe are inter-connected so slow mobilization of inputs to one component will slow down the whole programme 2 x 2 4 P x I	The PMU includes both a programme manager and technical advisor, whose roles will include management of inputs. Regular communication among UN agencies will reduce probability of risk	Programme manager will be responsible for reporting to UN agencies on apparent or potential delays in mobilizing inputs	Programming mission team leader	May 2009	Stable
6	Influential stakeholders who benefit from forest (over)-exploitation undermine REDD	Programme formulation	Political	It is recognized that some stakeholders will hold negative views towards REDD, especially those who benefit from, for example, illegal trade in timber. If these stakeholders exert political pressure to hinder the development of REDD, programme benefits could be compromised 3 x 4 12 P x I	Engagement both with potential negatively-minded stakeholders and with high-level government officials, supported by awareness campaigns will reduce risk	National Implementing Partner and Programme Manager will be responsible for monitoring	Programming mission team leader	May 2009	Stable
7	UN agency partners are unable to coordinate inputs and support to the		Strategic	The three UN Agency partners in UN-REDD have limited experience in working on joint programmes, and have different approaches to	The UNRC office will, facilitate and coordinate. Regular communication at all levels among the UN agencies	UNRC, UN Agency country offices and regional coordinators	Programming mission team leader	May 2009	Stable

	programme			project management, which could impact efficiency of programme implementation 2 x 3 6 P x I	will reduce risk				

* Probability (P) x Impact (I) = risk; P and I are ranked from 1 to 5 (1 = low; 5 = high); low risk is 1, high risk is 25

9. Legal Context or Basis of Relationship

The Participating UN Agencies (FAO, UNDP and UNEP) have signed a Memorandum of Understanding (MOU) to implement the UN-REDD Collaborative Programme, which came into effect on 20th June 2008 and ends 20th June 2012.

This Joint Programme document is consistent with the cooperation/assistance agreements signed by the lead UN agencies involved in this programme with the Government of Indonesia. For the UNDP, this Document is pursuant to the Country Programme Action Plan and arrangements for Non-Standard Basic Assistance Agreement (SBAA) countries (see annex 3 and 4)

The implementing partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan

The **UNDP** reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

On the part of the **FAO**, this document is consistent with the basic agreement with Government of Indonesia as indicated in the exchange of letters between the Government of Indonesia and FAO on 16 October 1978.

The FAO Representative shall represent the Organization in Indonesia, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization's activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of Government in the agriculture, fishery and forestry sectors of the economy, as well as, to central planning authorities. He/she shall maintain close liaison with the Government's coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO's programme in Indonesia.

For **UNEP**, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed Joint Programme document shall be the legal basis of UNEP's relation with the Government of Indonesia within the context of this programme. UNEP will work in close coordination with the programme management team.

The Participating UN Agencies agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to UN-REDD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Agencies do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

10. Title rights, copy rights, patents, and other proprietary rights

MoFor and Participating UN Agencies in the UNREDD Programm shall be entitled to all intellectual property and other proprietary rights, including, but not limited to, patents, copyrights and trademarks, with regard to products, processes, inventions, ideas, know-how or documents and other materials which the UNREDD Program and Individual contractor has developed under the NJP Agreement, and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the NJP Agreement.

At the request of UNREDD Programme, individuals, institutions, companies and contractors involve in the UNREDD Programme activities shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to UNREDD Programme in compliance with the requirements of the applicable law and of the Agreement. Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents and all other data compiled by or received by the individuals, institutions, companies and contractors involved in the UNREDD Programme activities shall be the property of UNREDD Programme, shall be made available for use or inspection by UNREDD Programme at reasonable times and in reasonable places, shall be treated as confidential and shall be delivered only to UNREDD Programme authorized officials on completion of work under the NJP Agreement.

11. Harmonized Annual Work Plan 2009

The Annual Work Plan and budget for 2009 is provided below. Revised work plans and budgets will be produced subsequent to the decisions of the annual/regular reviews. Such revised work plans will be approved in writing by the joint programme Steering Committee.

NJP Results	Indicative activities	Q1	Q2	Q3	Q4	Implementing Partner	Source of funding	Budget description	USD
Outcome 1: Strengthen multi-stakeholder participation and consensus at national and provincial level									
1.1 Consensus on key issues for national REDD policy development	1.1.1 UN REDD Programme Management Unit facilitating multi-stakeholder activities	-	-	X	X	MoFor/GoI	MDTF	Personnel	100,000
								Supplies, commodities, equipment and transport	20,000
								Contracts	30,000
								Other direct costs	10,000
	1.1.2 National and sub-national consultations on key-issues	-	-	-	X			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	20,000
								Other direct costs	-
	1.1.3 Analyze key issues focusing on those related to REL	-	-	-	X			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	10,000
								Other direct costs	-
	1.1.4 Facilitate inter-ministerial round table discussions on identified issues	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	1.1.5 Prepare policy recommendations & develop roadmap for issuing policies to address these issues	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-

NJP Results	Indicative activities	Q1	Q2	Q3	Q4	Implementing Partner	Source of funding	Budget description	-
								Other direct costs	
Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture									
1.2 REDD lessons learned	1.2.1 Establish national knowledge & learning network	-	-	X	X			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	20,000
								Other direct costs	-
	1.2.2 Collaboration with local initiatives to stimulate coordination and joint learning	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	1.2.3 Organize joint workshops	-	-	-	X			Personnel	-
								Supplies, commodities, equipment and transport	20,000
								Contracts	30,000
								Other direct costs	-
	1.2.4 Prepare publication on lessons learned	-	-	-	X			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	30,000
								Other direct costs	-
1.3 Communications Programme	1.3.1 Identify target messages, target groups and national partners	-	-	X	-			Personnel	3,000
								Supplies, commodities, equipment and transport	-
								Contracts	12,000
								Other direct costs	-
	1.3.2 Design awareness impact monitoring system, establishing baseline, and	-	-	X	X			Personnel	-

	assessing impact at completion							Supplies, commodities, equipment and transport	-
								Contracts	35,000
								Other direct costs	5,000
	1.3.3 Design of social marketing campaign, focus on high level government decision makers, as well as local resource users in the pilot districts	-	-	-	X			Personnel	4,000
								Supplies, commodities, equipment and transport	-
								Contracts	32,000
								Other direct costs	5,000
	1.3.4 Develop REDD information, education and communication materials	-	-	-	X			Personnel	1,000
								Supplies, commodities, equipment and transport	-
								Contracts	14,000
								Other direct costs	40,000
	1.3.5 Conduct national communications campaign targeting one or two drivers of deforestation (incl. high-level GoI - UN conference or panel in JKT)	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	1.3.6 Conduct training on REDD -emphasize local level actors	-	-	-	X			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	25,000
								Other direct costs	-
Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national	**Indicative activities**	**Q1**	**Q2**	**Q3**	**Q4**	**Implementing Partner**	**Source of funding**	**Budget description**	

REDD architecture									
2.1 Improved capacity and methodology design for forest carbon inventory within a Monitoring, Assessment, Reporting and Verification System (MRV), including sub-national pilot implementation	2.1.1 Review on existing standards and methodologies in MRV at national and sub-national levels;	-	-	X	X	MoFor/GoI	MDTF	Personnel	10,000
								Supplies, commodities, equipment and transport	
								Contracts	10,000
								Other direct costs	
	2.1.2 Development of measurement protocols and sampling design for a national forest carbon inventory with reporting capability at provincial level, building on the existing Indonesian national forest inventory system;	-	-	X	X			Personnel	25,000
								Supplies, commodities, equipment and transport	
								Contracts	25,000
								Other direct costs	
	2.1.3 Implementation of the forest carbon inventory in pilot provinces to assess carbon stock and carbon stock changes;	-	-	-	X			Personnel	
								Supplies, commodities, equipment and transport	60,000
								Contracts	
								Other direct costs	10,000
	2.1.4 Development of methods for Reporting and Verification at sub-national level, consistent with national reporting requirements;	-	-	-	X			Personnel	10,000
								Supplies, commodities, equipment and transport	
								Contracts	10,000
								Other direct costs	
	2.1.5 Implementation of Reporting and Verification in pilot provinces	-	-	-	-			Personnel	
								Supplies, commodities, equipment and transport	
								Contracts	
								Other direct costs	

Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture	**Indicative activities**	**Q1**	**Q2**	**Q3**	**Q4**	**Implementing Partner**	**Source of funding**	**Budget description**	
Outcome 2: Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture	2.1.6 Workshop: Identification of additional data needs concerning socioeconomic aspect in MRV Training in monitoring and assessment methodology (with AusAid)	**-**	**-**	**-**	X			Personnel	10,000
								Supplies, commodities, equipment and transport	25,000
								Contracts	5,000
								Other direct costs	10,000
2.2 Reference emissions level (REL) proposed at the provincial level	2.2.1 Review of methodologies for establishing REL at national and sub-national level	-	-	X	X			Personnel	10,000
								Supplies, commodities, equipment and transport	
								Contracts	10,000
								Other direct costs	
	2.2.2 Development of methodological options to establish REL at national and sub-national scale	-	-	-	X			Personnel	10,000
								Supplies, commodities, equipment and transport	
								Contracts	10,000
								Other direct costs	5,000
	2.2.3 Compilation of data to support development of REL	-	-	-	X			Personnel	10,000
								Supplies, commodities, equipment and transport	10,000
								Contracts	
								Other direct costs	
	2.2.4 Assessment of a provisional REL in a pilot province	-	-	-	-			Personnel	
								Supplies, commodities, equipment and transport	
								Contracts	
								Other direct costs	

	2.2.5 Scientific peer review of provisional REL	-	-	-	-	Personnel	
						Supplies, commodities, equipment and transport	
						Contracts	
						Other direct costs	
	2.2.6 Stakeholder consultations on REL methodological approach and provincial provisional REL	-	-	-	-	Personnel	
						Supplies, commodities, equipment and transport	
						Contracts	
						Other direct costs	
	2.2.7 Scientific peer review of REL methodological approach and provincial provisional REL	-	-	-	-	Personnel	
						Supplies, commodities, equipment and transport	
						Contracts	
						Other direct costs	
2.3 Harmonized fair and equitable payment mechanism at provincial level	2.3.1 Compilation existing payment systems	-	-	-	X	Personnel	-
						Supplies, commodities, equipment and transport	-
						Contracts	20,000
						Other direct costs	-
	2.3.2 Analysis/review of benefits and constraints of existing systems	-	-	-	X	Personnel	-
						Supplies, commodities, equipment and transport	-
						Contracts	20,000
						Other direct costs	-
	2.3.3 Options for modifications to meet requirements of a REDD payment system	-	-	-	X	Personnel	-
						Supplies, commodities, equipment and transport	-
						Contracts	10,000
						Other direct costs	-
	2.3.4 Stakeholder consultations	-	-	-	X	Personnel	-
						Supplies, commodities, equipment and transport	-
						Contracts	15,000
						Other direct costs	-

	2.3.5 Integration of modifications to create a REDD payment system	-	-	-	-		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	-
							Other direct costs	-
	2.3.6 Training of local institutions	-	-	-	-		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	-
							Other direct costs	-
2.4 Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, at the provincial level	2.4.1 Reach agreement in Indonesia on partner agencies, data sources, GIS development and site selection criteria	-	-	X	X		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	10,000
							Other direct costs	-
	2.4.2 Development and testing of the Priority Setting Toolkit (including short manual)	-	-	-	X		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	30,000
							Other direct costs	5,000
	2.4.3 Mapping of below- & above-ground carbon, inside and outside the Forest Estate, based on existing data sources and linkages to NCAS/FRIS (a. national reconnaissance level; b. detailed pilot province level) (linked to FAO 2.1 & 2.2)	-	-	-	X		Personnel	-
							Supplies, commodities, equipment and transport	10,000
							Contracts	35,000
							Other direct costs	5,000
	2.4.4 Overlay mapping and analysis co-benefits (minimally: biodiversity, water resources, pockets of poverty, others) - level a. and b. (one province only)	-	-	-	X		Personnel	-
							Supplies, commodities, equipment and transport	10,000
							Contracts	40,000

								Other direct costs	-
	2.4.5 (GIS) Training of provincial staff in use of Priority Setting Tool	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	2.4.6 Workshop on how to translate and integrate the results into local spatial planning process, national REDD policy, and decision taking	-	-	-	-			Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
Outcome 3: Capacity established to implement REDD at decentralized levels	Indicative activities	Q1	Q2	Q3	Q4	Implementing Partner	Source of funding	Budget description	
3.1 Capacity for spatial socio-economic planning incorporating REDD at the district level	3.1.1 Develop a comprehensive baseline dataset and identify areas of REDD-eligible forest	-	-	-	X	MoFor/GoI	MDTF	Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	40,000
								Other direct costs	-
	3.1.2 Analyze opportunity costs of alternative land uses	-	-	-	-	MoFor/GoI	MDTF	Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	3.1.3 Analyze the potential socio-economic impacts of REDD on communities	-	-	-	-	MoFor/GoI	MDTF	Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-
	3.1.4 Mainstream REDD into existing spatial, forest utilization and FMU planning at District level	-	-	-	-	MoFor/GoI	MDTF	Personnel	-
								Supplies, commodities, equipment and transport	-
								Contracts	-
								Other direct costs	-

	3.1.5 District based consensus on land – and forest use allocation,	-	-	-	-	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - - -
	3.1.6 Approve the REDD mainstreamed spatial plan	-	-	-	-	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - - -
3.2 Empowered local stakeholders are able to benefit from REDD	3.2.1 Capacity needs assessment	-	-	-	X	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - 30,000 -
	3.2.2 Design of capacity building & training	-	-	-	X	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - 20,000 -
	3.2.3 Training of trainers	-	-	-	-	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - - -
	3.2.4 Conduct of training and other capacity building activities	-	-	-	-	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - - -
	3.2.5 Assessment of follow-up activities required to improve and sustain capacity	-	-	-	-	Personnel Supplies, commodities, equipment and transport Contracts Other direct costs	- - - -

3.3 Multi-stakeholder-endorsed District plans for REDD implementation	3.3.1 Assess five districts in which REDD is most feasible	-	-	-	X		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	50,000
							Other direct costs	-
	3.3.2 Socialize REDD to these districts	-	-	-	-		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	-
							Other direct costs	-
	3.3.3 Invite these districts to present their proposals and ensure political readiness to implement REDD	-	-	-	-		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	-
							Other direct costs	-
	3.3.4 Agree with the selected district on an implementation framework.	-	-	-	-		Personnel	-
							Supplies, commodities, equipment and transport	-
							Contracts	-
							Other direct costs	-
						UNDP	**Programme cost**	**495,000**
							Indirect support cost	**34,650**
						UNEP	**Programme cost**	**321,000**
							Indirect support cost	**22,470**
						FAO	**Programme cost**	**265,000**
							Indirect support cost	**18,550**
						Subtotals	**Programme cost**	**1,081,000**
							Indirect support cost	**75,670**
						Total 2009		**1,156,670**

Annex 1 – Response to the UNREDD Secretariat Note

No.	UNREDD Secretariat Note	Action
1.	The Secretariat supports the approval of the budget allocation by the Policy Board. However, it is recommended that additional stakeholder consultation be undertaken before the NJP is signed and funds are released. This could be supported through the Global Joint Programme for International Support Functions. Should the consultation result in changes to the overall budget request, or aggregate allocations to the Participating UN Agencies, the revised NJP should be circulated for an "inter-sessional" decision by the Policy Board.	A consultation meeting with Indigenous People organizations, Civil Society Organizations, local communities and other stakeholders on UNREDD NJP was conducted on May 20, 2009. The workshop was attended by 32 participants including representatives from Government (MoFor, DNPI), IPs (AMAN, Karsa, KpSHK, and Huma), National NGOs and local community (FKKM, FWI, JKPP, ICEL, individual experts), International NGO (CI, WWF Indonesia, Wetland International, CIFOR, ICRAF), and multilateral organizations (WB, FAO, UNDP). The consultation resulted in some revisions to the Prodoc but did not change the overall direction or budget. A report of the consultation meeting is attached.

Annex 2 – CSO Consultation

UN-REDD NATIONAL JOINT PROGRAMME CONSULTATION WITH INDIGENOUS PEOPLES' ORGANIZATIONS AND CIVIL SOCIETY ORGANIZATIONS

Consultation held in Bogor, 20th May 2009

A. OBJECTIVES

The UN-REDD IP/CSO consultation aimed to provide an opportunity for Indigenous Peoples Representatives (hereafter referred to as local community representatives which includes masyarakat adat) and related Civil Society Organizations to be fully informed and to be able to provide feedback about the activities of the Government of Indonesia, and especially the Ministry of Forestry, regarding the UN-REDD National Joint Programme in development.

The objectives of the Consultation were:

- To provide an opportunity for local community representatives and related Civil Society Organizations to formulate their own informed positions and strategies regarding UN-REDD, including investigating opportunities and challenges;
- To provide an opportunity for local community representatives and related Civil Society Organizations to influence the development and implementation of UN-REDD schemes taking into account biological diversity, their traditional knowledge and their rights;
- To ascertain to the current level of involvement of local community representatives and related Civil Society Organizations in the national debate on REDD;
- To allow local community representatives and related Civil Society Organizations to become familiar with current capacity building tools and opportunities regarding UN-REDD and to ascertain their own capacity

B. Outputs

The objective of the Consultation was to achieve the following outputs:

1. Initial consultation with Local community representatives, local communities and related Civil Society Organizations on the proposed UN-REDD National Joint Programme
2. Approved meeting minutes, including proposed revisions to the UN-REDD National Programme Document
3. Agreement on follow up consultations by all parties

C. Local Community Representative / CSO Participant Selection Process

a. Selection Criteria

The selection criteria for Local community representatives, local communities and related Civil Society Organizations were as follows:

- Demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society/Local community representatives;
- Having national / regional coverage or networks,
- Selected through a participatory, consultative process,
- Previous experience working constructively with the government and UN system

b. Selection Process

The following Local community representatives / CSOs were initially identified through discussion with Ministry of Forestry and UNDP staff:

1. FKKM (Community Forestry Forum)
2. KpSHK (Local Community Forest Groups)
3. WALHI (Friends of the Earth Indonesia)
4. Forest Watch Indonesia (FWI)
5. LATIN (Village forest community development)
6. Kemala (Natural resource management foundation)
7. LEI (Lembaga Ekolabel Indonesia / Ecolabel SFM)
8. Telapak-EIA (Investigation and campaign against illegal logging)
9. NTFP Indonesia (Non timber forest product production and market)
10. JKPP (Jaringan Kerja Pemetaan Partisipatif/ Participatory mapping development)
11. IHSA (Institut Hukum Sumberdaya Alam/ National Resource Law)
12. AMAN (Aliansi Masyarakat Adat Nasional)
13. WWF (World Wildlife Fund)
14. TNC (The Nature Conservancy)

Next, three major organizations (AMAN, TNC and WWF) were asked about their thinking on the above list. All three organizations agreed with the above invitees and further suggested the following:

WWF Suggestions:

- Walhi
- Greenpeace
- AMAN
- CI
- TNC

AMAN Suggestions:

- HuMA
- KARSA
- ICEL
- CSF

TNC Suggestions:

- Carbon and Environmental Researches Indonesia (CER INDONESIA)

All the resulting potential participants were invited either by email or telephone. In addition to Local community representatives / CSO representatives, the consultation was attended by stakeholders involved in climate change, forest management, deforestation, forest degradation, and community development, government institutions and field practitioners of sustainable natural and forest resources management. The World Bank was invited in anticipation of synergy between UN-REDD and FCPF, for instance the potential for future joint UN-REDD/FCPF consultations.

c. **Full list of Consultation Attendees**

The actual participants to the consultation were as follows:

1. Government:Ministry of Forestry, National Climate Change Council (*Dewan Nasional Perubahan Iklim* -DNPI);

2. Local community representatives: Indigenous People Alliance of the Archipelago (AMAN-*Aliansi Masyarakat Adat Nusantara*), Village and Agrarian Reforms Institute (*Karsa- Lingkar Pembaruan Pedesaan dan Agraria)*, Consortium for Supporting Community Based Forest System Management (KpSHK-*Kelompok Sistem Hutan Kemasyarakat*), HUMA (Community and Ecology Based Legal Reform Organization -*Perkumpulan untuk Pembaruan Hukum Berbasis Masyarakat dan Ekologis)*;

3. National Non-government Organizations: Communication Forum on Community Forestry (FKKM-*Forum Komunikasi Kehutanan Masyarakat*), Forest Watch Indonesia, Participatory Mapping Working Network (JKPP-*Jaringan Kerja Pemetaan Partisipatif*), Indonesian Center for Environmental Law (ICEL);

4. International Non-government Organizations: Conservation International, WWF Indonesia, Wetland International, CIFOR, ICRAF.

5. Multilateral Organizations: World Bank, FAO, and UNDP.

D. Agenda and Consultation Method

a. Agenda

The consultation was divided into morning and afternoon sessions. The morning session intended to provide the participants with an overview of UN-REDD and its proposed activities. The afternoon session was designed to allow the participants to debate and discuss the proposed activities at a deeper level. To facilitate this discussion, the participants were separated into two groups, Group 1 covering Outcome 1 and 2 of the UN-REDD Programme Document, and Group 2 covering Outcome 2. The participants could choose the group of their choice. The division was intended to reflect the relative technical aspects of Outcome 2, while Group 1 would deal with the more general socio-economic issues of REDD.

AGENDA FOR UN-REDD JPD CONSULTATION

Time	*Activities*	Remarks
First Session: *Registration of participants*		
08.00 – 09.00	Pendaftaran peserta *(Registration)*	
09.00 – 09.30	Opening remarks and keynote speech	Mr. Wandojo S
09.30 – 10.00	Introduction of UN-REDD	UN
10.00 – 10.30	Coffee Break	
Second Session: GoI and UN-REDD Scheme		Moderator: Dr. Hermawan Indrabudhi
10.30 – 11.00	Presentation: Overview of UN-REDD National Joint Programme	Mr. Yuyu Rahayu
11.00 – 12:00	Questions and Discussion	Moderator
12:00 - 12:15	Grouping participants (see below for details)	Panitia
12.15 – 13.30	LUNCH	
Third Session: UN-REDD Discussion		Facilitators: Dr. Ngaloken Ginting and Dr. Machfudh
13.30 – 13.40	Explanation of working group discussion format	Facilitators
13.20 – 15.00	Group Discussion (please see page 2 for details)	Facilitators Group1:

	Group 1 : Outcome 1 and 3 (multi-stakeholder strengthening and capacity building) **Group 2** : Outcome 2 (REL, MRV and payment systems)	Dr. Ngaloken Ginting Group2: Dr. Machfudh
15.00 – 15.30	Coffee Break	
15.30 – 16.30	Group Presentations and feedback between groups	Moderator and Facilitators
16:30-17:00	Final Discussion: Suggestions for UN-REDD, issues on REDD in general etc.	Moderator
17.00-17:10	Closing the Consultation	Ministry of Forestry and UN
17:10 onwards	Dinner and informal discussion, networking	

b. Discussion Topics

The following discussion topics were encouraged:

- For each Output, discuss each indicative activity according to the following:
  - Issues and concerns, potential problems
  - Possible solutions
  - Applicability and feasibility of potential solutions
  - Propose solution(s), including baseline situation and target for proposed activity
- General topics
  - What are CSO and local communities' capacity building needs related to REDD?

E. Consultation Minutes

1. UN-REDD should build on existing REDD related activities, and not reinvent the wheel.
2. The UN-REDD Programme Document will be updated reflecting inputs from the local community representatives/CSOs consultation.
3. It should be ensured that the Project Management Unit is made up of domestic experts/staff. International experts will be recruited only when necessary to support project implementation. This should be reflected in the Programme Document.
4. A paragraph describing roles of local community representatives, CSOs and local communities as stakeholders of UN-REDD should be inserted in the Executive summary of the Prodoc (page 5). This is to show readers level of ownership of the Prodoc NJP by government of Indonesia.
5. National Project Board (NPB) members will consist of representative of government, donors, and others can be invited (including NGOs, CSOs, universities, etc). A mechanism of selecting a NPB member to represent his/her organization should be based on their own organization representative selection mechanism.
6. Initiatives relevant to UNREDD activities developed by local community representatives, NGOs, CSOs and local communities are good lesson learnt to support UNREDD activities implementation. Significant lesson learned from the initiatives will be inserted to the logical framework matrix table in pages 28-31 of the UN-REDD Programme Document. Inclusion of the

initiatives in the Programme Document to bring it practical is to increase ownership level of the project by various stakeholders.

7. On the consultation process:
    a. It was agreed that results from this Consultation will be reflected into the project document, and also that this consultation will serve to discuss the framework for an effective consultation process for future UN-REDD consultations. Consultation with broader stakeholders (including local community representatives, CSOs, local communities, etc) should be continued during the implementation of the project
    b. It was suggested that CSOs or other grass root based institutions should be the focal point in leading local community representatives, CSOs and other stakeholder consultations at national and sub national levels.
8. On demonstration site selection:
    a. Location for the exact demonstration project site is still flexible
    b. The site should consider levels of degradation (high, average and low degradation). Sulawesi does not have high levels of deforestation
    c. The site selection process should be conducted carefully
9. On communication:
    a. The project is strongly encouraged to strengthen communication among UNREDD stakeholders through various media such as bulletins, websites, mailing list, etc. (page 22). It is suggested that FWI might be one of the node of the communication strengthening activity.
    b. Strengthening communication between local community representatives/NGOs/CSOs and local government / palm plantation companies is strongly encouraged.
10. Page 21: Output 1.2 (REDD lessons learned); the project is encouraged to develop a mechanism to cooperate with local initiatives .
11. Page 24: In the activity of a compilation of information on existing payment systems, it should be stated to include existing payment system in Indonesia and abroad.
12. Page 24: Process of consultation mentioned in the activity of stakeholder consultations on proposed modifications, should be conducted in various consultation forms including workshops.
13. Page 26: Regarding Output 3.1 (Capacity for spatial socio-economic planning incorporating REDD at the district level), the following issues should be analyzed:
    a. The baseline of socio-economic situation in the area to develop REDD
    b. Impact of implementation of REDD in an area such as on income generation options of local communities.
    c. How to include REDD into local spatial plans,

    It is suggested that the UNREDD Prodoc to include the following activities: development of baseline related with socio-economic planning for REDD, trainings on spatial planning for REDD, intensifying consultations/meetings with local stakeholders

14. Page 27: Output 3.3 (Multi-stakeholder-endorsed District plans for REDD implementation) should include activities:
    a. Training needs assessment
    b. Develop guidelines and material for training
    c. Provide facilitators for local governments at UN-REDD Secretariat

F. **Consultation Result Dissemination and Next Steps**

The initial consultation minutes were developed by UN-REDD, reviewed and finalized by the UN Agencies and the MoFor, and then distributed by email to the local community representatives/CSO participants for further input. There have been no negative responses to the minutes so far. Comments from the consultation are being reflected into the National Joint Programme document, and once revised the document will be distributed to the local community representatives/CSO participants for further comment and input.

Adherence to the principles of Free, Prior and Informed Consent of the local community representatives/CSOs have been sought as much as possible, although at this point UN-REDD NJP activities have not been articulated enough to allow issues such as size, pace and reversibility to be debated in a meaningful manner. For instance, the UN-REDD demonstration (pilot) sites are envisaged to be carried out in Sulawesi, but further work needs to be undertaken (taking into account deforestation rates, socio-economic factors, consultations, willingness of local government to cooperate etc.) for exact locations to be specified.

All parties present in the consultation agreed that the UN-REDD consultation process should continue, and therefore this consultation should be 'one step of a wider consultation and engagement strategy', as suggested in the UN-REDD Programme IP engagement guidelines. Further steps include dissemination of information on the progress of the UN-REDD NJP shared with the local community represnetatives/CSOs via email, and further face-to-face consultations regarding detailed UN-REDD activities. Further, reflecting the comments from the consultation, the NJP will prioritize the development of a mechanism to cooperate with local community representatives/CSOs to stimulate learning and sharing lessons learned. This will also serve as a consultation at a more general level.

Annex 3 – Legal Context UNDP

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document.

(a) The Revised Basic Agreement for Technical Assistance signed 29 October 1954 between the United Nations, the International Labour Organisation, the Food and Agriculture Organisation of the United Nations, the United Nations Educational, Scientific and Cultural Organisation, the International Civil Aviation Organisation, and the World Health Organisation and the Government of the Republic of Indonesia,

(b) The Standard Agreement on Operational Assistance signed 12 June 1969 between the United Nations, the International Labour Organisation, the Food and Agriculture Organisation of the United Nations, the United Nations Educational, Scientific and Cultural Organisation, the International Civil Aviation Organisation, the World Health Organisation, the International Telecommunication Union, the World Meteorological Organisation, the International Atomic Energy Agency, the Universal Postal Union, the Inter-Governmental Maritime Consultative Organisation and the United Nations Industrial Development Organisation and the Government of the Republic of Indonesia,

(c) The Agreement signed 7 October 1960 between the United Nations Special Fund and the Government of the Republic of Indonesia, and

(d) all CPAP provisions apply to this document.

Additionally, this document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto as Annex __.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document. "

Annex 4 –Supplemental Provisions

Standard annex to project documents for use in countries, which are not parties to the Standard Basic Assistance Agreement (SBAA)

Standard Text: Supplemental Provisions to the Project Document

The Legal Context

General responsibilities of the Government, UNDP and the executing agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of Indonesia, the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.
7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

(a) Participation of the Government

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.
4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.
7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.
8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.
9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.
10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.
11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.
2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager[13] a/ who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.
3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.
4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.
5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.
6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.
7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.
8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.
9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

[13] May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.

10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.
2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.
3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
(b) Be immune from national service obligations;
(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;
(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;
(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.
5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;
(b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and
(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn there from upon departure of such personnel.

6. The Government shall ensure:

(a) prompt clearance of experts and other persons performing services in respect of this project; and
(b) the prompt release from customs of:
    (i) equipment, materials and supplies required in connection with this project; and
    (ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.
9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

Suspension or termination of assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.
2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.
3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.