



Third independent review of the Indonesia-Norway cooperation on reducing greenhouse gas emissions from REDD+

Final Report

28 September 2018

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Executive Summary

Ministerial comment. *“The Lol [Letter of Intent] still serves as a good platform of cooperation between Indonesia and Norway [being] very instrumental in raising awareness to take actions to address climate change. Adjustments may be needed, but definitely do not kill this baby. We know that the journey has been winding, but we walk in the right direction. The Lol has resulted in so many good things and that will continue.”* (Ibu Retno Marsudi, Minister of Foreign Affairs, 21 Aug 2018).

Background. Indonesia is very vulnerable to climate change, and land use has made it a major emitter of greenhouse gases (GHGs). The need for action on climate change was recognised by the Indonesian government in 2009. A strategy for Reducing Emissions from Deforestation and forest/land Degradation (plus safeguards for biodiversity and forest-dependent peoples), abbreviated as REDD+, had meanwhile been developed internationally. Mutual interest in REDD+ by Indonesia and Norway led to a Letter of Intent (Lol) being signed on 26 May 2010, which established the Indonesia-Norway REDD+ Partnership. Three phases were specified in the Lol: the first for establishing necessary institutions and capacity, the second for transforming managerial systems, and the third for delivering verified emission reductions. President Yudhoyono appointed REDD+ Task Forces in 2010-2013 for establishment purposes, and in 2013 created a ministerial-level REDD+ Management Agency (BP REDD+) to lead transformation.

The review. The Lol process was always expected to be a complex and innovative exercise involving many stakeholders and relationships, with progress marked by slow, directional change over a long period. The Lol therefore called for independent reviews, and these occurred in 2011, 2013 and 2018. The present review was done in Indonesia in August 2018, and is based on inputs from around 70 knowledge holders at 40 relevant institutions. Section 1 explains the context, Section 2 summarises the progress made against the various themes and milestones in the Lol, as contained in the terms of reference of the mission, and Section 3 offers a brief discussion of strategic issues, conclusions, and some suggestions for development of the Partnership. The findings are based on the opinions expressed by informants but do not reflect any official position of any institution involved in the REDD+ Partnership or the review.

Events in 2015. The newly-elected President Widodo dissolved BP REDD+ in early 2015. At almost the same time the ministries of environment and forestry were fused into a new Ministry of Environment and Forestry (KLHK), which absorbed the National Council on Climate Change (DNPI) and then BP REDD+. Meanwhile, forest and peatland fires in late 2015 caused immense damage and led to a strong response in the forms of new and enhanced regulations, a new Peatland Restoration Agency (BRG) and increased policy priority for fire prevention, One Map, law enforcement, social forestry, and land reform.

KLHK capacity. KLHK has made much progress in building the capacity of its various directorates-general, including in such areas as monitoring, reporting and verification (MRV), coordination around targets in the Nationally Determined Contribution (NDC) under the Paris Agreement, discussion of potential REDD+ financing mechanisms, civil society participation in green growth and monitoring and reporting on forests, social forestry, planning, mapping and knowledge management, low-carbon governance, long-term development planning, law enforcement, and conservation.

Moratorium. Renewed consistently since 2011, covering about 65 million hectares of the forest estate, and now supplemented by a peatland moratorium, the forest moratorium is among Indonesia’s most important mitigation policies. Extending its scope to include additional secondary forest and forest areas under concession licences could more than double its impact, while also increasing co-benefits in terms of water, health, environmental security, tourism and biodiversity. Ending it in the absence of permanent regulations to replace it, however, would risk allowing a disastrous increase in deforestation.

MRV system. There is divergence between economy-wide emissions reporting (coordinated by Bappenas), and ministry-wide emissions reporting (led by KLHK but involving others). There are still uncertainties on forest definitions, boundaries and baselines, but collaboration between stakeholders of the Emission

Reduction Programme in East Kalimantan and the DG Climate Change Control at KLHK is expected to resolve these for the nationwide MRV system for REDD+ purposes by early 2019.

Sub-national actors. Potent alliances are possible between local leaders and local people where all favour sustainable, low-carbon, biodiversity-friendly development based on secure land tenure and principles of stewardship. A number of provinces have been building such alliances, including East Kalimantan and the two provinces in Indonesian New Guinea ('Tanah Papua'), all supported by the Partnership. In East Kalimantan, for example, the 2019-2023 medium-term plan for the province has been strongly influenced by delivery partners and NICFI grantees, while in Tanah Papua an international conference and memorandum of understanding between the governors was supported to define an agenda based on the revision of spatial plans, greater respect for indigenous peoples' rights, and proposals to improve concession boundaries.

Rule of law. Forest sector law enforcement is improving but DG Law Enforcement at KLHK remains in need of support. The Partnership has been financing various capacity-building initiatives at KLHK, as well as a strategic initiative to detect networks of individuals, holding companies and licensees who may be involved in violations by linking ministerial databases.

Land rights for indigenous peoples and local communities (IPLCs). Social movements concerned with land rights for IPLCs saw the Lol as a breakthrough, but a mood of disappointment has prevailed since 2015 despite vigorous efforts by KLHK to promote social forestry. Only 22,000 hectares of land claimed by 18 *adat* communities have been officially recognised, out of over ten million hectares claimed. On the other hand, six IPLC priorities were included in President Widodo's National Priority Agenda (*Nawa Cita*), policy statements generally accept that indigenous peoples are among the best protectors of natural forests, and there is also now a ministerial task force to accelerate the recognition of *adat* lands.

Financial mechanism. A Public Service Agency (BLU) is to be based at the Ministry of Finance, which will manage REDD+ and other Indonesian environmental funds. This is not expected to become fully operational before 2020, however, because of its need for detailed regulations and protocols, but a specific arrangement for REDD+ could perhaps be set up sooner. To ensure that the financial mechanism meets the expectations set jointly in the Lol, more in-depth consultations are needed between the Partners. Since the BLU may not meet the Partnership's need for ways to support deliberation mechanisms and local institutions, there will be a continuing need for other channels for REDD+ funding and some observers suggest that the Indonesian Climate Change Trust Fund (ICCTF) be considered for this role. Exploration of all these issues would benefit from broad consultation with civil society and potential donors, including Norway, before the Climate Window of the BLU is finalised.

Peatland Restoration Agency (BRG). The BRG is an important seed-bed of ideas and experience in addressing peatland issues, and advances by the Embassy against a large NICFI contribution have allowed delivery partners to support BRG in mapping degraded peatland, and to hire facilitators at many villages.

One Map. The One Map policy of government is transformative but its implementation is challenging since the development of each sectoral theme is a major capacity-building activity for the institutions concerned. The Partnership has supported KLHK and other institutions in building their knowledge management capacity, and this is welcomed by beneficiaries.

Support for Indonesian civil society. NICFI support to Indonesian civil society has been in line with the goals and spirit of the Lol. The review team interviewed many civil society groups that are directly, indirectly and/or potentially involved in the Lol process, allowing various aspects of Norway's support for Indonesian civil society to be integrated within specific discussions on KLHK capacity, the IPLC land-rights agenda, activities in East Kalimantan and Tanah Papua, and implementation of the One Map policy.

Conclusions: deforestation. KLHK and GFW data show a constancy in the rate of forest or tree cover loss and GHG emissions for 2004-2017 but with peaks in 2009, 2012 and 2014-2016, and a significant decline in the rate of tree cover loss in 2017 relative to 2016. This last is encouraging and, while the effects of drought cessation cannot be ruled out entirely, it may well result from improved implementation of moratorium restrictions, efforts to enhance IPLC resource tenure, aggressive policing in the natural resources sector,

secure budgeting for sub-national government, fiscal rationalisations led by the Ministry of Finance, and green growth initiatives led by Bappenas and supported by the Partnership's delivery partner GGGI.

Conclusions: ambitions. The 2011 National Action Plan to Reduce GHG Emissions (RAN-GRK) and the 2016 Nationally Determined Contribution (NDC) for mitigation included ambitious commitments that are quantitative and economy-wide, but the NDC raised the unilateral target for reduction from 26% to 29% and extended the timing from 2020 to 2030. The ambitions of the Lol are articulated qualitatively, with indicative dates and milestones, but the schedule is only one aspect of ambition and not the most important since momentum and direction of travel have been maintained. Hence although RAN-GRK and NDC express their ambitions in one way and the Lol does so in another, all are responding to the presidential policy commitment to reduce GHG emissions in measurable ways.

Conclusions: perceptions. Everyone consulted was positive about the Lol process and Norway's engagement with Indonesia, and hoped for its continuation. All appreciated that although the Lol process has been blocked at times, ways had been found to flow around obstacles, and questions raised about the Partnership's investment strategy are all convincingly answerable.

Conclusions: continuity. The spirit of the Lol remains alive, and the Lol itself was automatically renewed for four years at the end of 2016. A REDD+ agency exists in the form of KLHK; the financing mechanism will be the BLU; and the nationwide MRV system for REDD+ is likely by early 2019. Agreement on these, including an interim arrangement at the BLU to meet specific REDD+ financing needs, could allow the end of Phase 2 and the start of Phase 3 in 2019. This would recognise the progress made and the recent decline in deforestation rate, maintain momentum, and raise awareness of the climate change response. A first results-based payment would test the calculation, disbursement and distribution systems, and could also (especially if made on 26 May 2020, the Lol's tenth anniversary) attract media attention. The implication is that 2019-2020 will be a decisive moment for which specific preparation is needed.

Recommendations to the Partners.

- Building consensus on transition issues, including on validity of the MRV system for REDD+ and the financial mechanism to allow a transition between Phases 2 and 3, technical issues surrounding a REDD+ account at BLU and the suitability of the ICCTF as a 'small grant' mechanism, as well as the definition of priorities and constraints on Lol funding relative to its strategic aims, and agreeing where the Lol provides opportunities to support the broader emission-reduction aims of GoI, all with a view to agreeing a 2019-2020 timetable for an initial REDD+ contribution for results payment.
- Mainstreaming the climate response in KLHK, mainly through continued support on ministry-wide institutional capacity and knowledge management, and targeted work in several areas including acceleration of IPLC land recognition.
- Enabling sub-national and non-state emission reductions, including through participatory mapping, socioeconomic assessments and marketing assistance at village level, promoting inter-provincial dialogue and knowledge-sharing, and exploring other approaches including incentives for private investment in carbon conservation.
- Environmental education and public outreach, including reaching out to electoral candidates, religious groups, parliamentary commissions, teacher-training systems, and media outlets.

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Acronyms and abbreviations

Acronym	Definition
AMAN	Indigenous Peoples' Alliance of the Archipelago (<i>Aliansi Masyarakat Adat Nusantara</i>)
ANU	Australian National University
Bappenas	National Development Planning Agency (<i>Badan Perencanaan Pembangunan Nasional</i>)
BAU	Business as usual
BIG	Geospatial Information Agency (<i>Badan Informasi Geospasial</i>)
BLU	Public Service Agency (<i>Badan Layanan Umum</i>)
BPD LH	Environmental Fund Management Agency (<i>Badan Pengelola Dana Lingkungan Hidup</i>)
BP REDD+	REDD+ Management Agency (<i>Badan Pengelola REDD+</i>)
BRG	Peat Restoration Agency (<i>Badan Restorasi Gambut</i>)
CfR	Contribution for results
CIFOR	Centre for International Forestry Research
CLUA	Climate and Land Use Alliance
CO _{2e}	Carbon dioxide equivalent (a measure of the potency of mixed GHGs)
CoP	Conference of the Parties
CPI	Climate Policy Initiative
Danida	A label for development assistance by the Ministry of Foreign Affairs of Denmark
DDPI	Regional Council on Climate Change (<i>Dewan Daerah Perubahan Iklim</i>)
DG	Directorate-General
DNPI	National Council on Climate Change (<i>Dewan Nasional Perubahan Iklim</i>)
ERP	Emission Reduction Programme
ESP	Environmental Support Programme (Danida)
FCPF	Forest Carbon Partnership Facility
FORCLIME	Forest and Climate Change Programme
FPIC	Free, prior and informed consent
FPP	Forest Peoples Programme

FREL	Forest Reference Emission Level
GCFTF	Governors' Climate and Forests Task Force
GFW	Global Forest Watch
GGGI	Global Green Growth Institute (an inter-governmental treaty organisation established at the Rio+20 Conference in 2012)
GHG	Greenhouse gas
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
Gol	Government of Indonesia
ICCTF	Indonesian Climate Change Trust Fund
ICRAF	World Agroforestry Centre
IPLCs	Indigenous peoples and local communities
ISPO	Indonesian Sustainable Palm Oil (certification standard)
JICA	Japan International Cooperation Agency
Kemitraan	The Partnership for Governance Reform in Indonesia
KLHK	Ministry of Environment and Forestry (<i>Kementerian Lingkungan Hidup dan Kehutanan</i>)
KPH	Forest management unit (<i>Kesatuan Pengelolaan Hutan</i>)
KPK	Corruption Eradication Commission (<i>Komisi Pemberantasan Korupsi</i>)
LAPAN	National Institute of Aeronautics and Space (<i>Lembaga Penerbangan dan Antariksa Nasional</i>)
LiDAR	Light Detection And Ranging (a survey method that measures distances using pulsed laser light)
Lol	Letter of Intent
MFA	Ministry of Foreign Affairs
MHa	Millions of hectares
MK	Mahkamah Konstitusi (Constitutional Court)
MoU	Memorandum of understanding
MRV	Monitoring (and/or measurement), reporting and verification
<i>Nawa Cita</i>	National Priority Agenda
NDC	Nationally Determined Contribution (to the mitigation and adaptation goals of the Paris Agreement on Climate Change under the UNFCCC)
NICFI	Norway's International Climate and Forest Initiative

Norad	Norwegian Agency for Development Cooperation
PPMHA	Recognition and Protection of Indigenous People (<i>Pengakuan dan Perlindungan Masyarakat Hukum Adat</i>)
RAN-GRK	National Action Plan to Reduce Greenhouse Gas Emissions (<i>Rencana Nasional Penurunan Emisi Gas Rumah Kaca</i>)
REDD	Reducing Emissions from Deforestation (forest) Degradation (including forest conservation, sustainable management & enhancement of forest carbon stocks)
REDD+	REDD with aims and safeguards specified by the Cancún UNFCCC 16th CoP
RFN	Rainforest Foundation Norway
RMU	Rimba Makmur Utama (a private company)
RPJP	Long-term Development Plan (<i>Rencana Pembangunan Jangka Panjang</i>)
SDG	Sustainable Development Goal
TNC	The Nature Conservancy
UI	Universitas Indonesia
UKCCU	United Kingdom Climate Change Unit
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WALHI	Indonesian Forum for the Environment (<i>Wahana Lingkungan Hidup Indonesia</i>)
WIIP	Wetlands International Indonesia Programme
WRI	World Resources Institute Indonesia
WWF	World Wide Fund for Nature (World Wildlife Fund)

1 Introduction

1.1 Background

With an extremely long coastline, a large and densely-populated coastal zone, and landscapes prone to floods, droughts and fires, Indonesia is very vulnerable to climate change, while past deforestation and land-use change also made Indonesia one of the largest national greenhouse gas (GHG) emitters (KLH, 2007; Gol, 2016). By 2009 the need for action on climate change in Indonesia was recognised at the highest levels of government, and a strategy known internationally as REDD+ had meanwhile been developed for reducing emissions from deforestation and forest/land degradation, with safeguards for biodiversity and forest-dependent peoples.¹ Mutual interest in REDD+ by Indonesia and Norway led to a Letter of Intent (LoI), signed on 26 May 2010, which established the Indonesia-Norway REDD+ Partnership. The LoI and a subsequent Joint Concept Note laid out an agreed process to reduce GHG emissions by limiting loss of natural forest and peatlands. Three phases were envisioned: the first for ‘establishment’ of necessary institutions and capacity, the second for ‘transformation’ of managerial systems, and the third for ‘delivery’ of verified emission reductions. President Yudhoyono appointed REDD+ Task Forces in 2011-2013 for establishment purposes, and in 2013 created a ministerial-level REDD+ Management Agency (BP REDD+) to lead transformation.²

The work of the Partnership was understood to be an innovative and complex exercise involving many stakeholders and relationships, in which progress would be marked by mixed directional, transformational and incremental changes over a long period of time. The LoI therefore specified an annual review in its Article XII, which would have been desirable for historical, learning and adaptive purposes, but in practice only three such reviews have occurred, in the second quarter of 2011 (Caldecott *et al.*, 2011), in the third quarter of 2013 (Caldecott *et al.*, 2013), and this is the report of the third. Between the second and third reviews, drastic change affected the institutions and managerial systems targeted by the first and second phases of the Partnership’s plan of work. Details are given in following sections, but the scale of change is indicated by the abrupt closure in early 2015 of BP REDD+, its absorption by a new ministry (KLHK) in 2015, and the creation of a new Peatland Restoration Agency (BRG) in response to massive forest and peatland fires in 2015. The key topic explored by this review is the continued applicability of the letter and spirit of the LoI through these new arrangements. The first recommendation of the review team, on the need for consensus building around the specific role of the LoI, relates to the fact that as the aim of reduced-emission development has become a government-wide commitment in Indonesia, with REDD+ as part of it but widely connected to many sectors, so the diversity of topics and actors that a review of the LoI process must consider has expanded. Future reviews will therefore need to be resourced to permit consultation with a very wide range of stakeholders, and the full analysis of very diverse streams of critical information.

¹ <https://www.forestcarbonpartnership.org/what-redd>

² The First REDD+ Task Force (*Satuan Tugas REDD+*, or Satgas) was set up by Presidential Decree 19/2010, with the second and third established by decrees 25/2011 and 5/2013. They all included individuals assigned from the President’s Delivery Unit for Development Monitoring and Oversight (*Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan*, or UKP4), a pool of staff working for the president on development delivery. The REDD+ Management Agency (*Badan Pengelola REDD+*, or BP REDD+) was set up as a fully-established and comprehensively-staffed institution by Presidential Regulation No. 62/2013, and was terminated by Presidential Regulation No. 16/2015 (signed 21 Jan 2015). See: <http://ditjenppi.menlhk.go.id/index.php/berita-ppi/33-beranda/1847-mengenai-bp-redd> and <https://sains.kompas.com/read/2015/01/28/18352191/Presiden.Jokowi.Bubarkan.BP-REDD.dan.DNPI>.

1.2 The review mission

The review was conducted in Indonesia in August 2018. It is based on input from about 70 knowledge holders at 40 institutions, selected for their anticipated possession of knowledge about the progress of the Partnership. Information sources therefore comprised: replies to a questionnaire circulated to key knowledge holders from early August (Annex 1); face-to-face interviews in the period 14-25 August in Jakarta, Bogor and East Kalimantan (Annex 2); remote interviews throughout the mission and into early September (Annex 2); and literature review (Annex 3). The team is very grateful to all concerned for their time and insights. No difficulties were encountered during the mission, beyond the opening of the Asian Games and two national holidays which affected the availability of some informants. An informal *End of Mission Aide Mémoire* was submitted on the morning of 27 August to the Royal Norwegian Embassy team in Jakarta, for discussion at the debriefing that afternoon. The draft *Final Report* was presented to the client for review on 14 September, with final reporting due by the end of September. Section 2 of this report summarises the progress made against the various themes in the Lol, as contained in the terms of reference (ToR) of the mission and the lines of enquiry in Annex 2. Section 3 presents a brief discussion of strategic issues, conclusions, and some suggestions for development of the Partnership. Items in the ToR are addressed in the report as follows.

- **Moratorium implementation:** Section 2.3 ('Moratorium Implementation').
- **A nation-wide system for monitoring, reporting and verifying emissions from biophysical forest and peat:** Section 2.4 ('Nationwide MRV System').
- **Province plans and frameworks for reducing emissions from deforestation, degradation and peat:** Section 2.5 ('Support for Sub-national Actors').
- **Advances in good forest governance:** Section 2.6 ('Rule of Law in the Forest Sector').
- **Land tenure reform, conflict resolution and rights of indigenous peoples:** Section 2.7 ('Land rights for Indigenous Peoples and Local Communities'), and Section 2.10 ('The One Map Process').
- **Financial mechanism for the partnership:** Section 2.8 ('The REDD+ Financial Mechanism').
- **Other relevant developments in institutional and regulatory framework at the national and provincial level:** Section 2.1 ('General Situation'), Section 2.2 ('Building KLHK Capacity'), Section 2.5 ('Support for Sub-national Actors'), and Section 2.9 ('The Peatland Restoration Agency').
- **Overview of the support that Norway has provided to civil society in Indonesia:** Section 2.11 ('Support for Indonesian Civil Society').
- **Assessment of the ambition levels in national plans compared with the Lol:** Section 3.2 ('Shared Ambitions on Emission Reduction').
- **Assessment on whether emissions from deforestation and forest degradation have been reduced at the national level during the partnership period:** Section 3.1 ('Deforestation and GHG Emissions').
- **Recommendations for the way forward:** Section 3.4 ('Continuity of the Lol Process') and Section 3.5 ('Recommendations to the Partners').

The primary focus of the review, as stressed during initial dialogue with the Embassy, was on the progress of the Partnership following major changes in 2015. This was further constrained by the need to obtain input from many knowledge holders covering an extremely diverse range of activities. Some aspects (e.g. the development of KLHK capacity, technical aspects of the MRV system, fund-management protocols for the BLU, acceleration of IPLC land tenure) would all reward further detailed study. Finally, it should be noted that the findings presented here are shaped by the opinions of informants, which were obtained under the promise that no statement would be attributed to any individual without prior consent for that specific use. The interpretations and synthesis that result are the team's own, and do not reflect any official position of any institution involved in the REDD+ Partnership or the review.

2 Progress of the Partnership

2.1 General situation

The 2013 review found that the REDD+ Management Agency (BP REDD+), established by President Yudhoyono and staffed by an enthusiastic and skilled team of Indonesian experts, was working very effectively to develop Indonesia's capacity to deliver proven GHG emission reductions from the forest and peatland sector in line with the Lol. This came to an abrupt halt in early 2015 with the closure of BP REDD+ by President Widodo (Heru Prasetyo, 2015). How the REDD+ agenda then developed, and with what effect the Indonesia-Norway REDD+ Partnership (often just called 'the Lol process' or 'the Partnership') exerted influence in the following three years, was a key topic of interest to the review team.

In another transformative development in early 2015, the ministries of environment and forestry were combined into a new Ministry of Environment and Forestry (KLHK), which also took on the responsibilities of the National Council on Climate Change (DNPI) and, shortly afterwards, those of BP REDD+. When the latter was dissolved, all of its documents and other assets were transferred to KLHK's new Directorate General (DG) of Climate Change Control, and most of the BP REDD+ staff left for other duties. A transitional process was negotiated by UNDP, however, which was then managing the delivery of Norway's support to the Lol process, and this allowed for some activities while the new ministry overcame establishment issues.

Forest and peatland fires occurred in the second half of 2015, during an El Niño drought. These affected 2.6 million hectares and released a billion tonnes of carbon dioxide equivalent (CO₂e), as well as smoke and toxic smog that impacted aircraft movements, raised awareness of deforestation issues, and affected health across Indonesia, Singapore and Malaysia. A World Bank study (Glauber *et al.*, 2016), supported by Norway and others, showed that the fires reduced Indonesia's gross domestic product by some two percent - twice the macroeconomic cost of the 2004 tsunami - and this induced a powerful policy response. President Widodo promptly enhanced peatland protection rules³ and established the Peatland Restoration Agency (BRG) to lead coordination across ministries and implement the hydrological and ecological restoration of peatlands, while giving higher priority to fire prevention, the One Map policy, law enforcement to supplement existing moratorium regulations (see Section 2.3), social forestry, and land reform⁴.

Norway's support since 2013 has been channelled through various delivery partners, including multilateral organisations (i.e. UN agencies and the World Bank), an inter-governmental treaty organisation (i.e. the Global Green Growth Institute, GGGI), and national and international non-governmental organisations (NGOs). Other donors have provided more direct support to activities related to REDD+ but see Norway's grant-making approach as complementary to their own work. There is also appreciation of Norway's coordination efforts, for example through provincial green growth plans, the Oslo Tropical Forest Forum, the BioCarbon Fund, and the Low Carbon Development Initiative with Bappenas. Overall, the dialogue supported by Norway is seen by other donors as having increased public awareness and initiated various reform processes. There is also support for Norway's adaptive coordination style, in some cases redirecting funds to new areas when projects are not performing as expected. Norway has been involved in donor coordination meetings on climate change in Indonesia with the World Bank, UKCCU, Danida, USAID, and others, while KLHK's publication (with support from NICFI) on *The State of Indonesia's Forests 2018* (KLHK,

³ Presidential Regulation No. 57 of 2016 amended Presidential Regulation No. 71 of 2014 on the Protection and Management of Peatland Ecosystems (<https://news.mongabay.com/2016/12/green-groups-raise-red-flags-over-jokowis-widely-acclaimed-haze-law/>).

⁴ A Presidential Instruction dated 25 Sep 2018 established a land reform task force chaired by the Coordinating Minister for Economic Affairs (<https://news.mongabay.com/2018/09/indonesian-president-signs-order-on-land-reform/>).

2018) provides a useful overview of progress on REDD+ and reflects leadership commitment to it and other national emission reduction strategies.

The key actors and actions involved in the Lol process since 2015 are reviewed in the following sections. Some matters described at length in the 2013 review are now ‘ghost topics’ since progress appears to have stalled entirely (e.g. implementation of the national and sub-national REDD+ strategies), or else they are being addressed in new ways if at all, including the REDD+ financing mechanism, monitoring, reporting and verification (MRV) systems for REDD+, and the diverse work programmes of BP REDD+. Thus the changes in the REDD+ system in early 2015 halted or rearranged many things, some of which were not yet mature enough to survive in new contexts. Thus one informant likened the fate of some of the Lol process to that of a puppy that was too young to be adopted from its birth mother without harm. Most observers note, however, that while a phased transition over several years would have been preferable to sudden change, the BP REDD+ model was not itself sustainable and the transfer of its responsibilities to a structural institution was probably inevitable, and ultimately desirable if the REDD+ financial mechanism can be agreed.

2.2 Building KLHK capacity

Observers report that KLHK has been making rapid progress in building its own Ministry-wide capacity to deliver proven GHG emission reductions according to its sectoral responsibilities, a task that relies on regulation⁵ as well as on action within and cooperation between its various Directorates-General (DGs). This progress involves the following themes, most of them supported through cooperation between KLHK and Kemitraan (the Partnership for Governance Reform in Indonesia), with additional support on knowledge management provided especially to the most relevant DGs⁶ by World Resources Institute Indonesia (WRI).

- **MRV capacity.** Strengthening the National Registry System for implementation of MRV, and capacity building for MRV and forest reference emission level (FREL⁷) among national and sub-national teams through demonstration activities, institutional development and community participation based on the principle of free, prior and informed consent.
- **NDC targets.** Coordination within KLHK and between it and other ministries and local government bodies in translating NDC targets (GoI, 2016) into ministerial and local government policies, while refining strategies and programmes appropriate to these tasks.
- **Financing mechanism.** Cooperation between KLHK and the Ministry of Finance (with the participation of private-sector actors) for design and implementation of environmental financial management arrangements (i.e. the Public Service Agency, BLU), focused on governance, coordination and technical assistance to ensure high standards of performance, accountability and transparency.
- **Civil society participation.** Creating opportunities for greater civil society participation in assisting local government and community groups to support green growth, food security, tenure equality, emission reduction, and ending deforestation. Also strengthening civil society capacity to use high-technology and fieldwork to support independent monitoring and reporting on forests, and to make appropriate recommendations to government agencies.
- **Social Forestry.** Supporting KLHK’s DG Social Forestry in scaling up community access to forest, targeting an additional four million hectares by the end of 2019 and including better systems for oversight, licensing, recognising indigenous peoples and capacity building for organisations representing the interests of indigenous peoples and local communities (IPLCs).

⁵ For example: P.70/MENLHK/SETJEN/KUM.1/12/2017 on Guidelines for REDD+ Implementation; P.71/MENLHK/SETJEN/KUM.1/12/2017 on the Implementation of the National Registry System on Climate Change Control; P.72/MENLHK/SETJEN/KUM.1/12/2017 on Guidelines for Implementation of Measurement, Reporting and Verification of Climate Change Action and Resources; and P.73/MENLHK/SETJEN/KUM.1/12/2017 on Guidelines on the Implementation and Reporting of National Greenhouse Gas Inventories.

⁶ Including DG Climate Change Control, DG Planologi, DG Social Forestry, and DG Law Enforcement.

⁷ Funded by Norad and implemented by the Ministry of Forestry and CIFOR in 2014.

- **Planning, mapping and knowledge management.** Supporting KLHK's DG Planologi in piloting the Papua Ecoregion Policy Study, including the development of a gender mainstreaming protocol and methods to be used in other forest provinces and districts (i.e. Central Kalimantan, West Kalimantan, Aceh and North Kalimantan in addition to Papua and West Papua), while improving the capacity of the regional technical units on forest gazettement, deforestation monitoring, geographical information systems (GIS), and the use of high-resolution satellite and drone imagery.
- **Low-carbon governance.** Supporting development of a Government Regulation on Low Carbon Economy Development Governance, including its provisions to promote inclusiveness, accountability, transparency and good governance across ministries and agencies, and providing regulations and technical guidelines to support its implementation by local government.
- **Long-term development planning.** Strengthening governance aspects of the GoI's long-term development plan (RPJP) for Green Growth and the Sustainable Development Goals (SDGs) over 2021-2045, including planning and budget tagging for SDG accomplishment, and developing and using baseline data targeting forested provinces and districts (i.e. Papua, West Papua, Central Kalimantan, West Kalimantan, Aceh, and North Kalimantan).
- **Law Enforcement.** Supporting KLHK's DG Law Enforcement with a 'war room' to track concessions, companies and their owners, to detect and respond to encroachment into primary forests, to monitor 'hot spots' (e.g. ground fires in peatland), to undertake case tracking of prosecutions, asset recovery and forfeiture, and to detect corruption in natural resource use, plus capacity building and coordination with the Corruption Eradication Commission (KPK) and others.⁸
- **Conservation.** Supporting KLHK's DG Conservation in adopting and participating in the MRV system and FREL with safeguards for conservation areas, while developing Conservation Partnerships with IPLCs in and around protected areas, covering some 1.3 million hectares and based on ecotourism and use of non-timber forest products.

Thus the Partnership is acknowledged as having supported KLHK as it builds its capacity to promote cross-governmental compliance with UNFCCC and SDG commitments, all of which is central to the goal and purpose of the Lol. Managing REDD+ delivery is an important part of this direction of travel, but this process is so complex that a separate evaluation focused upon KLHK could be justified. Meanwhile, many factors have been at work both within and outside but connected with KLHK, often directly or indirectly encouraged and enabled by the Lol process.

2.3 Moratorium implementation

The moratorium began in 2011, has been renewed consistently to date⁹, and has been increasingly effective. It was joined in September 2018 by a three-year moratorium specifically targeting new oil-palm plantations and mandating a review of oil-palm licences across the country¹⁰. This had been in the pipe-line since April 2016, reflecting the mature scale of Indonesia's palm-oil sector, with over 14 million hectares of plantations, and the feeling that its further development should come from productivity rather than expansion. Meanwhile, the map based on the forest moratorium has been updated every six months¹¹ and the next version will be the 15th in the series. The moratorium area started at about 69 million hectares in 2011 and thereafter fluctuated with spatial mapping inputs and new surveys that changed the classification of land (e.g. between

⁸ Based on Presidential Decree No. 54/2018 on National Strategy on Corruption Prevention, which is designed to facilitate cooperation among KLHK, KPK, other law enforcement agencies, civil society and the media.

⁹ Presidential Instruction No. 10/2011, extended under No. 6/2013, then No 8/2015, then No. 6/2017 regarding a moratorium on the Granting of New Licences and Improvement of Natural Primary Forest and Peatland Governance.

¹⁰ Presidential Instruction No. 8/2018 on the Delay and Evaluation of Permits and Elevated Productivity of Oil Palm Plantations (<https://news.mongabay.com/2018/09/indonesian-president-signs-3-year-freeze-on-new-oil-palm-licenses/>).

¹¹ <http://webgis.dephut.go.id:8080/kemenhut/index.php/en/feature/61-pipib>

peatland and other land). Thus the area covered declined to a minimum of about 64 million ha, and is now back to about 66 million. The moratorium has had an important psychological and educational impact and may have had an effect in reducing net deforestation, alongside other stabilising factors such as government policy, existing regulations, and law enforcement efforts. Wijaya *et al.* (2017) concluded that the moratorium has the greatest potential of all Indonesia's mitigation policies, and that if it is extended to 2030 in its present form it could reduce emissions by nearly 200 million tonnes of CO_{2e}. They also note that extending its scope to include additional secondary forest and forest areas under concession licences could more than double its impact, thus contributing further to the goals of the Partnership and increasing co-benefits in terms of water, health, environmental security, tourism and biodiversity. If the moratorium were to be lifted abruptly, however, without being replaced by permanent regulations, actors not bound by corporate responsibility policies may take advantage of the confusion and an increased deforestation rate could result.

2.4 Nationwide MRV system

The context and purpose of national MRV capacity has evolved considerably since the Lol process began, since there is now a commitment to economy-wide emission reductions in line with national policy (i.e. RAN-GRK) and international agreement (i.e. Indonesia's Nationally Determined Contribution or NDC under the UNFCCC Paris Agreement - see Section 3.2), as well as a nested MRV system for emission reductions from the forest and peatland sector. A divergence has thus arisen between economy-wide emissions reporting for RAN-GRK purposes, coordinated by the national planning agency Bappenas, and those relevant to ministry-wide emissions reporting for Paris Agreement purposes, which is led by KLHK but requires coordination with other sectoral agencies and sub-national entities that regulate or impact forest and peatland. The whole issue is deeply technical and affected by institutional relationship issues, and there are also remaining uncertainties surrounding forest definitions, boundaries and baselines.

The most relevant factor here is that KLHK is confident that a registry-based system capable of reporting reliably for REDD+ purposes is within reach, and that this can and will be refined and updated with more detailed provincial data. The Ministry is also confident that this can be fully harmonised with the province-level measurement, monitoring and reporting system (i.e. not including verification, which is a function of central government) developed in East Kalimantan in line with the programme document for Indonesia's Emission Reduction Programme (ERP) under the Forest Carbon Partnership Facility (FCPF; GoI, 2014; see Section 2.5). Observers associated with the ERP are equally optimistic, while noting a number of outstanding technical issues but expecting that these can be resolved by 2019 in dialogue with KLHK's DG Climate Change Control under its new leader, who is a qualified expert on these very issues. The review team can only assume that this process will soon result in an Lol-compliant national MRV system.

2.5 Support for sub-national actors

2.5.1 Overview

Complex interactions among local and national interests generate different directions of travel in different contexts, depending on what the various stakeholders are trying to achieve. Potent alliances are possible between local leaders and local people where all favour sustainable, low-carbon, biodiversity-friendly development based on secure land tenure and principles of stewardship, and a number of provinces have been building them, including East Kalimantan and the two provinces in Indonesian New Guinea ('Tanah Papua') which are mentioned further below. It should be noted, however, that the enthusiasm of even these provinces will depend upon strong political and institutional commitments supported by technical decisions by government if they are to bear fruit in the longer term, suggesting the need for high-level dialogue to win support from key ministries. Meanwhile, other provinces are mentioned by observers in the context of various planning and mapping initiatives supported by Partnership delivery partners, including Central, West and

North Kalimantan, Aceh, South Sumatra and Riau. Central Kalimantan, for example, is the site of a jurisdictional REDD+ initiative involving a conservation concession that is working with four forest management units (KPH) and a national park to cover 1.6 million hectares of peatland, and conservation NGOs also work in the province¹² offering the potential for synergy.

2.5.2 East Kalimantan

There is a Regional Council on Climate Change (DDPI) whose work is supported by NICFI through TNC, WWF and GGGI (as well as separately by GIZ) and included by local planning agencies in the 2019-2023 medium-term plan, while the land-based sectoral agencies all have emission reduction plans. Readiness for REDD+ requires policy integration through dialogue between Jakarta and the province, capacity building, and a decision on the FREL baseline, which the province is urgently awaiting.¹³ Of particular significance is the ERP under the FCPF, which aims to reduce deforestation and forest degradation against pressures that include the expansion of oil-palm plantations, timber plantations, and mining, but also encroachment, fires, aquaculture, and unsustainable logging. Underlying drivers include inadequate policies and incentives, weak spatial planning, insufficient capacity for supervising forested areas, and low farm productivity with limited alternative livelihood opportunities available. The net result is that besides loss of habitats and ecosystem services, deforestation has led to annual CO₂e emissions of about 38.8 million tonnes on average. The ERP will address underlying governance issues through policy reforms, and by engaging with local communities and the key land-based sectors. It is expected to lead to emission reductions of 35.8 million tCO₂e in 2020-2024, with more than half coming from reduced deforestation in areas allocated to estate crops. The ERP is closely linked to Indonesia's and East Kalimantan's REDD+ plans, is designing a Benefit Sharing Mechanism that is in the process of finalisation, and is developing a comprehensive Feedback and Grievance Redress Mechanism. The ERP relies on the commitment of local stakeholders for adopting sustainable management practices, making consultations and outreach a necessary and integral part of the programme.

2.5.3 Papua and West Papua

Papua has established a Provincial Council on Climate Change and Sustainable Development. The Econusa Foundation, with support from NICFI through Kemitraan as well as Rainforest Foundation Norway (RFN) and the UK Climate Change Unit (UKCCU), worked with the governor of West Papua to host an international conference to define an agenda based on the revision of spatial plans, greater respect for indigenous peoples' rights, and proposals to improve concession boundaries, which would provide criteria for donors wishing to work in Papua. As a result, an MoU is being drawn up between the governors of Papua and West Papua. By jointly expressing their aspirations in this way, the Papuan provinces will be in an enhanced position to negotiate new arrangements for their own development. They would also be better able to attract a KLHK focus on Papua based on the work done by DG Planologi as supported by the Partnership, and the green development plans developed by Bappenas with the support of UKCCU and its various technical teams on energy, forestry, peatland, water and fisheries. Such a focus could potentially attract donors to the region's largely intact but threatened ecosystems and the indigenous peoples who inhabit them. Observers noted that the Papuan provinces offer an opportunity for sub-national implementation of performance-based payments, once the REDD+ financing mechanism has been agreed.

¹² Including the Borneo Nature Foundation (<http://www.borneonaturefoundation.org/en/where-we-work/barito-ulu/>).

¹³ As a baseline to monitor REDD+ performance, FREL has an important role in allowing emission reductions under the NDC to be quantified. Observers note that the 2016 national FREL retains certain weaknesses, for example in undervaluing the below-ground carbon stock in mangrove ecosystems. Provinces have started to address such weaknesses in sub-national FREL, however, with support from Norway, the World Bank, JICA, and others, which is expected to improve the accuracy of the national MRV system over time.

2.6 Rule of law in the forest sector

Forest sector law enforcement is said to be gradually improving, with more illegal logging prosecutions and more supervision generally, and this has contributed to reduced deforestation rates at least outside dry 'fire seasons'. The DG Law Enforcement at KLHK remains in need of support, however, and the Partnership has financed various capacity-building initiatives there. A strategic theme has been the Partnership's support for linking ministerial databases to build capacity to detect networks of individuals, holding companies and licensees who may be involved in violations. This system was begun under the REDD+ Task Force and thus pre-dated BP REDD+, was passed to KPK when BP REDD+ was dissolved, and has since been developed with WRI support by the Ministry of Agriculture, whose DG Plantations launched it in August 2018. It is now being used voluntarily by corporations seeking Indonesian Sustainable Palm Oil (ISPO) certification.

2.7 Land rights for indigenous peoples and local communities

Support by NICFI and others made possible an international conference in Lombok in 2012 on Forests, Governance and Enterprise, which consolidated a commitment for action on indigenous rights issues in Indonesia and helped create the conditions for a legal petition by the Indigenous Peoples' Alliance of the Archipelago (AMAN) to the Constitutional Court against aspects of the Forestry Law that infringed certain *adat* (traditional law) rights (Norad, 2014). The case was supported by RFN and the NICFI-funded Samdhana Institute, and resulted in a ruling¹⁴ that recognised the existence of indigenous peoples and their rights, including over customary forest in their traditional lands, thus rendering that element of the Forestry Law legally void. With this background, social movements concerned with the land rights of indigenous peoples and local communities (IPLCs) came to see the Lol process as fundamentally supportive of their interests (Fay & Denduangrudee, 2018).

A mood of disappointment has prevailed among such stakeholders since 2015, however, despite efforts by KLHK which have greatly accelerated the award of social forestry permits to communities.¹⁵ The issue here is that IPLC movements are chiefly concerned with land ownership, while Gol tends to be more interested in offering use rights. This reflects the prevailing complexity of land issues in Indonesia, the result of which is that only 22,000 hectares of land claimed by 18 *adat* communities have been officially recognised, out of over ten million hectares claimed and mostly free of conflicting claims and/or recognised by law in their respective sub-national regions. On the other hand, through diligent lobbying of candidate Widodo six IPLC priorities were included in his *Nawa Cita* programme, including adoption of a draft indigenous peoples law (PPMHA, which is now before Parliament), implementation of Constitutional Court (MK) ruling 35/2012, and other measures to protect land rights in laws and institutions. Policy statements generally seem to recognise that indigenous peoples are among the best protectors of natural forests, and there is now a ministerial task force to accelerate the recognition of *adat* lands. But suspicion feeds on slow progress in practical implementation; for example, the fact that the data layers on IPLC lands are still missing from One Map (see Section 2.10) fuels concern among stakeholders who are already feeling vulnerable.

There are other ways in which land rights issues can be addressed, especially at the level of sub-national government where IPLCs can often exert significant political influence. Thus, in East Kalimantan there are now provincial regulations on how to identify indigenous communities and four have been recognised (in West Kutai and Pasir) with another in process in East Kutai. Mulawarman University in Samarinda has so far identified about 100 forest-dependent communities, and the districts and civil society will continue to give priority to identifying and protecting the interests of such communities (whether or not they are recognised as

¹⁴ Mahkamah Konstitusi (MK) No. 35/PUU-X/2012.

¹⁵ A total of about a million hectares of social forestry permits were awarded in 1990-2016, but since 2016 over 800,000 hectares of permits have been given out.

‘indigenous’). Progress can also be made in the context of forest certification, through agreements with investors in and around Forest Management Units (KPH), where IPLCs can be helped to obtain tenure and thereby encouraged and enabled to restore the land, while the companies do the necessary monitoring. Similar issues of tenure and participation are of central concern to indigenous peoples in Papua, and are also relevant to peatland restoration, where communities are being asked by BRG to collaborate in blocking canals and to try out new livelihood systems. More generally, there is the challenge that tenure to land or harvests is unavailable in protection forests, so open-access conditions often lead to deforestation. Similar outcomes are common in conservation areas, where involving local people as partners in management (as envisioned, for example, in the IUCN Whakatane Mechanism¹⁶) remains in its infancy in Indonesia.

2.8 The REDD+ financial mechanism

It has been proposed that the Lol requirement for a credible and transparent mechanism to manage financial flows linked to REDD+ will be met by the BLU, for now called the Environmental Fund Management Agency (BPDLH). This is to be based at and overseen by the Ministry of Finance¹⁷ and owned and operated by Gol, with its business plan intended to reflect international standards of accountability and the various conditions applied by donors. Observers note that close dialogue between the Partners around the design of the BLU needs to be continued to ensure that the financial mechanism meets the expectations set jointly in the Lol.

In any case, it would make sense for the national MRV system to be agreed before the BLU can be used for REDD+ purposes (see Section 2.4), but the BLU is also to be a vehicle for managing other funds that the Gol defines as being of an environmental nature. Since in principle these could include reforestation, biodiversity, payments for ecosystem services in addition to carbon storage, and all aspects of climate change mitigation and adaptation, the growth potential of the BLU and the need for care in defining its scope are both very great. Various other options, including a trust fund model, were rejected as being too inflexible to allow for all the transactions and fund management needs envisioned in such a mandate. The net result is that the BLU could be seen as the embryo of a ‘Green Growth Bank’.

A draft decree to create the BLU is awaiting final inter-ministerial discussion at the Ministry of Finance. With such a complex model in view, though, the BLU is not expected to become operational before 2020, as it will need further regulation, an institutional and funding structure, and portfolio management protocols, including measures to diversify and otherwise protect the funds held against future international financial turbulence. Observers seem confident that a specialised mechanism to meet REDD+ needs could meanwhile be set up under the BLU. It is however also notable that different stakeholders have various expectations of the BLU, including those who hope for a greater say in the distribution of Norwegian grant funds, those who hope that it will finance green growth, and those who hope that it will facilitate private investment and participation of civil society and sub-national government in jurisdictional carbon conservation.

Finally, it would be prudent to ensure that channels for REDD+ funding continue to be available to support local governmental and non-governmental institutions, and for deliberation mechanisms, bearing in mind that the Lol process involves both innovation and a wide range of partners and partnerships. The Indonesian Climate Change Trust Fund (ICCTF) was mentioned by observers as a possible vehicle for this, should the BLU not have this role. Exploration of all these issues would benefit from broad consultation with civil society and potential donors, including Norway, before the Climate Window of the BLU is finalised.

¹⁶ <http://whakatane-mechanism.org>

¹⁷ Its legal basis is Government Regulation No. 46 of 2017 on Economic Instruments in Environmental Matters, as the implementing regulation for Articles 42 and 43 of Law No. 32 of 2009 on Environmental Protection and Management (<http://www.budidjaja.id/en/new-regulation-on-economic-instruments-in-environmental-matters/>).

2.9 The Peatland Restoration Agency

Indonesia has over 20 million hectares of peatland ecosystems and hydrological systems supporting them. A multidisciplinary team of peatland experts recommended that President Widodo set up the Peatland Restoration Agency (BRG) to reduce emissions in seven peat-rich provinces. Soon after the BRG was established with a five-year mandate in 2015, it became clear that there were many challenges faced by an institution with a mandate to coordinate peatland policies and implementation, and to promote hydrological restoration, regeneration and community 'revitalisation' across at least million hectares over seven provinces. This is not helped by responsibility for peatland being divided between KLHK and the Ministry of Agriculture, with other interested ministries including those of energy and public works.

Support by NICFI has taken the form of a large financial commitment, which was to have been managed by the World Bank but this role has now been moved to UNOPS. Advances against this commitment have allowed collaboration between BIG, BRG and a consortium of universities, with funding administered by WRI, to use LiDAR to map 660,000 hectares of degraded peatland.¹⁸ There is also a collaboration between BRG and the Tropical Forest Alliance (TFA, where NICFI is represented on the Steering Committee), in which the partners work on mapping with WRI and the Indonesia Business Council for Sustainable Development. Advances against the NICFI commitment have also allowed Kemitraan to undertake mapping and hiring facilitators at numerous villages in four provinces, while developing proposals for follow-on work. The BRG has acted as an important seed-bed of ideas and experience in addressing peatland issues, upon which further work can be built in a supportive policy environment. Proven new ways to promote ecosystem restoration and inclusive sustainable development at the village level are applicable in many other contexts, and BRG experience can be used to design permanent regulations to support peatland protection and restoration across government and through KLHK once the BRG mandate expires in 2020.

2.10 The One Map process

The initiative to create a single 1:50,000 scale base map of Indonesia with thematic layers showing exactly where everything had happened, was happening, or was planned to happen in the Indonesian development process, was and remains transformative for avoiding planning failure and promoting public transparency. It remains government policy, and the Partnership continues to support its implementation as a way to improve forest and land governance. The BIG has custody of the base map, and sectoral agencies are responsible for the 85 layers, with sub-national details held and provided by local planning units and others. Delivering all this is challenging, but the approach is widely admired, with new uses and applications being continuously explored by different actors for their own purposes. The official launch of a final One Map is expected shortly, so it is clear that progress since the Lol is close to fruition.

Developing a sectoral theme for One Map is itself a major capacity-building activity, and NICFI (with a supplementary grant from USAID) has funded WRI in a project to promote whole-agency effectiveness and transparency in managing information through multi-stakeholder collaboration and technical support. At least four DGs at KLHK have benefited from this at an operational level, and WRI also works on this project with many other governmental, civil society and corporate stakeholders, including the provinces of Riau, South Sumatra, Papua and West Papua. In all cases, the aim of the project is not just to deliver a map, but rather a process of building institutional transparency and inclusiveness with a 'true one map' as an emergent outcome in support of the One Map policy. According to observers, the project's approach is notable for its imaginativeness, and the flexibility with which it is being implemented and managed by the Embassy.

¹⁸ Yielding preliminary maps of districts that include Musi Banyuasin and Ogan Komering Ilir in South Sumatra, Pulang Pisau in Central Kalimantan, and Kepulauan Meranti in Riau.

2.11 Support for Indonesian civil society

Civil society organisations (CSOs) are key REDD+ actors and NICFI's grant scheme for 2016-2020 is supporting 19 CSOs in Indonesia.¹⁹ This support is additional to the funds pledged for the Lol process, and mostly involves the participation of Indonesian grantees in work that covers multiple counties through institutions such as RFN, WWF, the Center for Global Development, the Global Canopy Programme, the Rights and Resources Initiative, GLOBE International, the Environmental Investigation Agency, the Earth Innovation Institute, and the Governors' Climate and Forests Task Force (GCFTF). Six grants are for use exclusively in Indonesia, however, and are allocated to:

- **BBC Media Action**, to build understanding of forest values and management challenges among the Indonesian public through television broadcast, mentoring and training;
- **Climate Policy Initiative (CPI)**, to demonstrate and encourage effective public-private-people partnerships and to promote socially inclusive, sustainable oil palm production in Central Kalimantan whilst retaining environmental values;
- **The Nature Conservancy (TNC)**, to demonstrate pay-for-performance systems, improve consistency among incentive systems, and catalyse innovations in public-private partnerships;
- **Transformasi untuk Keadilan (TuK) Indonesia**, to use research, CSO capacity building and advocacy to promote availability of bank financing oriented to social and environmental sustainability in the palm oil and pulp & paper sectors;
- **Samdhana Institute**, to help secure IPLC rights through capacity building and by working with actors such as community, women and youth leaders, plantation and forestry companies that hold licences to land claimed by IPLCs, and central government ministries; and
- **Indonesian Forum for the Environment (WALHI)**, to promote government recognition and protection of community-based natural resources management/governance systems, and ensure that strong and relevant models exist to strengthen community negotiation positions.

RFN's current portfolio in Indonesia includes a NICFI-supported programme on 'Indigenous peoples as guardians of the rainforest', which also works in Brazil, Perú, and the Democratic Republic of Congo and facilitates cooperation between civil society, national authorities and multilateral institutions on developing and implementing coherent policies for rights-based, sustainable management of forests (RFN, 2018; Lillegraven & Torheim, 2018). There are also partnerships with three Indonesian CSOs (after two were dropped for reasons of financial mismanagement):

- **AMAN**, starting with its women's wing (*Perempuan AMAN*), whose work includes promoting gender-sensitivity in the Indigenous Peoples Bill (PPMHA), but RFN is now also supporting AMAN as a whole;
- **Madani**, which is a new organisation that facilitates meetings among national stakeholders and provides analysis on Indonesian climate policy; and
- **Warsi**, which focuses on mapping local communities and applying for social forestry schemes in Sumatra, and has also contributed to Jambi's REDD+ Strategy.

In addition, a number of climate and forest project grants are managed by the Norwegian Embassy in Jakarta²⁰, with the grantees being delivery partners for the Lol process although the funding is accounted outside of the Lol funding commitment. These include grant and co-financing arrangements made with UN agencies, the World Bank, the UK and OECD, but three civil society (or similar) actors are also involved:

- **Global Green Growth Institute (GGGI)**, to promote green growth plans and strategies, encourage and enable green investment, and support well-informed national and sub-national decision-makers within capable institutions to understand, replicate, and scale up green growth approaches;

¹⁹ <https://www.norway.no/en/indonesia/values-priorities/deforestation-and-climate-change/civil-society-cooperation-on-climate-change-and-forest/>

²⁰ <https://www.norway.no/en/indonesia/values-priorities/deforestation-and-climate-change/bilateral-climate-and-forest-support/project-support/>. See also Norad (2018).

- **Kemitraan**, to support stakeholder engagement and technical assistance to finalise Indonesia's REDD+ architecture and its financing instrument, for a separate project (*Desa Peduli Gambut*) to prepare for sustainable peatland management in 189 villages in collaboration with the BRG, and for a Conference on Forest and Land Tenure and Governance for Equitable Development in support of government targets on agrarian reform and social forestry; and
- **World Resources Institute (WRI)**, to improve management of peatland in priority jurisdictions, instil principles of accountability, inclusivity and sustainability in land use management in priority provinces by implementing the One Map policy, and improve transparency, accuracy and usability of Indonesia's National Forest Monitoring System to better monitor and enforce sustainable land use practices.

The review team conducted interviews with AMAN, CPI, WRI, GGGI, Samdhana, DPPI in East Kalimantan, TNC, Bumi, Econusa, the Forest Peoples Programme (FPP), RFN, and the Climate and Land Use Alliance (CLUA), all of them directly, indirectly and/or potentially involved in the above programmes. All these interviewees impressed the team as skilled, experienced and highly motivated, with projects, plans and ideas strongly supportive of the goals and spirit of the Lol. A review of RFN's support to CSOs in Indonesia (Adhiati & Leonard, 2017), which covered some of the same organisations as well as others, supplemented these enquiries and drew useful conclusions that need not be repeated here. All these inputs allowed aspects of Norway's support for Indonesian civil society to be integrated within the specific discussions above on KLHK capacity, the IPLC land-rights agenda, activities in East Kalimantan and Tanah Papua, and One Map implementation. The team was also alert to the possibility that NICFI support to public-private partnership platforms, such as the TFA²¹ and the &Green Fund²², would be relevant to the Partnership, but apart from the TFA collaboration with BRG they did not arise at interview. This may be because the &Green Fund is not yet operational, while TFA involvement in Indonesia is largely at the project development stage, but these platforms may become more important by the end of 2018.

NICFI's support to Indonesian civil society has been in line with the goals and spirit of the Lol. Civil society partners have been directly and indirectly supported to give IPLCs opportunities to participate in REDD+ planning and implementation and to promote the economic, social and environmental sustainability of REDD+ efforts. One area for further reflection is Norad's project management rules and whether these may constrain the oversight of Indonesian CSOs. Among the latter, those operating in remote areas may be weak organisationally and require extra supervision and support, but observers stressed that this should be done sympathetically to the distinctive nature of grass-roots social movements. A second area for reflection is whether a greater emphasis on public transparency is required as an enabling condition for the work of Indonesian CSOs on issues relevant to the Lol. The One Map policy of government and its various implementing projects are praised for their pioneering approach to cartographic data sharing, but there is still some frustration about the actual availability of data to Indonesian CSOs in practice.

²¹ <https://www.tfa2020.org/wp-content/uploads/2018/06/TFA-2020-Annual-Report-2018.pdf>

²² <http://www.andgreen.fund/portfolio/>

3 Conclusions

3.1 Deforestation and GHG emissions

Deforestation, forest degradation and clearance for plantations are well documented in Indonesia and South-east Asia (e.g. Vijay *et al.*, 2016; Zeng *et al.*, 2018), but measuring these processes and associated GHG emissions in specific locations is hard. Thus six Indonesian inventories in 2000-2012 reported average annual emissions from land use of between 0.4 and 1.1 billion tonnes of CO₂e (Austin *et al.*, 2018), with major sources of variability including different ways of accounting for legacy emissions due to peat drainage, methane emissions from peatland and below-ground biomass and necromass, the fuel burnt in peat fires, and regrowth after deforestation. But the course of events can be described using multi-source data and standardised methodology, since 1990 by KLHK (2018) and 2001 by Global Forest Watch (GFW). The first records a huge peak in the annual deforestation rate (at 3.5 million hectares, MHa) in 1996-2000, falling to 0.8-1.2 MHa in 2000-2009 and 0.4-0.7 MHa in 2009-2014, then a smaller peak at 1.1 MHa in 2014-2015, and a rate that declined to below 0.5 MHa in 2016-2017. Definitional differences hamper direct comparisons, but the GFW data for 2004-2017 (Table 1) reveal a similar constancy in the annual rate of tree cover loss in the 2000s, and sharp peaks in loss rates and GHG emissions in 2009, 2012 and 2014-2016 which are often associated with droughts and fires. The more recent data also show a significant decline in the rate of tree cover loss in 2017 as compared to 2016, which is encouraging and, while the effects of drought cessation cannot be ruled out entirely, may well be due “to improved government implementation of a national moratorium on the conversion of primary forests, [and] an additional moratorium on drainage and conversion of peat forests and improved management of protected areas” (Fay & Denduangrudee, 2018: 3).

Table 1: Tree cover loss and associated GHG emissions in Indonesia, 2004-2017.

Year	Total tree cover loss (million hectares)	GHG emissions from tree cover loss (million tonnes CO ₂ e)
2004	1.29	137
2005	1.18	124
2006	1.43	146
2007	1.39	136
2008	1.40	143
2009	1.94	197
2010	1.28	134
2011	1.54	161
2012	2.26	230
2013	1.14	119
2014	1.89	187
2015	1.75	174
2016	2.42	228
2017	1.30	125

Source:	www.globalforestwatch.org/dashboards/country/- Indonesia (summary)	www.globalforestwatch.org/dashboards/country/- Indonesia (climate)
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At a macro level, policies and reform efforts are pushing in the right direction, and it can be said with some confidence that changes within Indonesia have built capacity to make robust emission reductions. Potentially beneficial changes include laws and precedents that should enhance IPLC resource tenure, aggressive policing of sectoral laws (including moratorium restrictions) and corruption, more secure budgeting for sub-national government, and fiscal rationalisations led by the Ministry of Finance and green growth initiatives led by Bappenas and supported by the Partnership's delivery partner GGGI, with considerable demand and responsiveness by provinces, districts and the corporate sector. The enactment of Law No 23/2014 on Pemerintahan Daerah (Provincial and District Governance) that entrusted to provincial government the authority to grant permits for forest exploitation may also have been a factor in reducing the deforestation rate since 2015. These directional measures are in effect proxies for system strengthening, which are useful until a new generation of satellite imagery²³ and ground-truthing measures become widely used to allow deforestation and forest degradation to be measured directly and unambiguously demonstrated.

3.2 Shared ambitions on emission reduction

The 2011 National Action Plan to Reduce GHG Emissions (RAN-GRK)²⁴ defines the key sectors in which Indonesia will make emission reductions (i.e. forestry and peatland, agriculture, energy and transportation, industry and waste management). The Provinces are expected to make their own action plans and have these formalised by a governor's decree. This ambitious regulation²⁵ followed up on President Yudhoyono's 2009 target for Indonesia of a 26% reduction in GHG emissions below 'Business-as-Usual' (BAU) by 2020, based on unilateral actions, and a further reduction of up to 41% below BAU if adequate international support were made available. The objectives of RAN-GRK are to design initiatives to reduce GHG emissions in the relevant sectors, and to guide investment in coordinated GHG emission reduction at national and regional levels. It requires that political, social and cultural implications, and national and regional development priorities, are all taken into account, and that emission reductions be based on the principle of seeking synergy between development activities and emission reductions.²⁶ The 2016 NDC stated that after 2020, "Indonesia envisions a progression beyond its existing commitment to emission reductions. Based on the country's most recent emissions level assessment, Indonesia has set unconditional reduction target of 29% and conditional reduction target up to 41% of the business as usual scenario by 2030." (Gol, 2016: page 2). Thus both the RAN-GRK and NDC commitments are quantitative (relative to a BAU baseline) and economy-wide, and the unilateral target was raised from 26% to 29% (but its timing extended from 2020 to 2030) while the assumption of international support at similar relative levels remained unchanged.

The NDC stresses the importance of land use and REDD+ in emission reduction, and lists as key measures the moratorium, sustainable forest management and social forestry through active participation of the private sector, small and medium enterprises, CSOs, local communities and the most vulnerable groups, especially *adat* communities and women. It notes that the FREL for REDD+ was submitted to the UNFCCC Secretariat in December 2015, covering deforestation, forest degradation and peat decomposition, and was set at 0.568

²³ The Gol has been in talks with the EU and UK Space Agency over accessing higher resolution data, including cloud-penetrating synthetic-aperture radar data from the Sentinel-1 satellite.

²⁴ Presidential decree No. 61/ 2011 regarding National Action Plan for Greenhouse Gas Emission Reduction.

²⁵ As an example of the challenges involved, observers note that efforts to reduce emissions through REDD+ are undermined by Indonesia's continued use of coal-based energy, with emission reductions of 6-7% currently expected in the energy sector being well short of the 23% target for total primary energy supply by 2025.

²⁶ <https://www.iea.org/policiesandmeasures/pams/indonesia/name-42667-en.php>

billion tonnes of CO₂e annually, using 1990-2012 as the reference period for actual emissions in 2013-2020. Again the intention is clearly to demonstrate quantifiable progress. In contrast, the ambitions of the Lol are articulated qualitatively, being a statement by the Partners of the intent to make Indonesia able, in effect, to achieve the RAN-GRK and NDC targets by strengthening the systems that will be used to do so. Indicative milestones and dates for achieving them are given in the Lol, and although some of these have slipped (e.g. the funding instrument to be ready by January 2011, a pilot province up and running by December 2011, and an MRV system to be ready by December 2013), the schedule is only one aspect of ambition and not the most important if a degree of momentum and a direction of travel can be maintained, as it has been despite dislocations in 2015-2016. Hence although RAN-GRK and NDC express their ambitions in one way and the Lol does so in another, all are responding to the presidential policy commitment to reduce GHG emissions in measurable ways.

3.3 Perceptions of the Lol process

Everyone consulted by the review team was positive about the Lol process and Norway's consistent engagement with Indonesia, and hoped for its continuation. All appreciated that although the Lol process has been blocked at times, ways had been found to flow around obstacles. Some questions arose concerning the Partnership's heavy investment up to 2015 in an unsustainable REDD+ leadership model, and its slow engagement in building the capacity of KLHK after the REDD+ Management Agency was dissolved. This can be countered by observing that the earlier investments had stimulated irreversible system-wide change, with many 'green shoots' worth supporting, that KLHK was simply unable to absorb much investment during its establishment phase, and that major capacity-building investment at KLHK was begun as soon as possible. Some doubts were also expressed concerning the Partnership's support for the BRG, but this investment can be seen as highly strategic given the importance of peatland in national emissions, and the BRG has done useful work to allow transformational outcomes in future. Disappointment expressed by IPLC land-rights advocates can be answered by observing that their agenda was well integrated with the policies of the post-2014 administration, and it is not clear how the Partnership could have further accelerated progress.

3.4 Continuity of the Lol process

The Lol is a statement of shared intent, and its spirit remains very much alive. Moreover, since no party communicated a contrary desire through diplomatic channels, the Lol was automatically renewed for four years at the end of 2016 (Lol Article XIII). As for Lol implementation, the special REDD+ agency "reporting directly to the President" (Lol Article VI b) is now in effect KLHK; the financing mechanism "managed by an internationally reputable financial institution" (Lol Article VI d) will be the BLU at the Ministry of Finance; and the nationwide MRV system for REDD+ should be finalised by early 2019. Agreeing these arrangements, including an interim arrangement at the BLU to meet specific REDD+ financing needs, could allow the end of Phase 2 and the start of Phase 3 to be recognised in 2019. This transition and timing would be desirable to maintain momentum and for a number of other reasons, including the following:

- it would allow an initial contribution for results (CfR) payment to be made into a dedicated REDD+ account at the BLU, in recognition both of the progress that has been made on building capacity to deliver emission reductions in Indonesia since 2010 and of the decline in deforestation rate since 2016;
- if publicly committed in 2019, this first CfR payment would raise awareness of the Indonesian response to the climate challenge in general, and of the Partnership and its work in particular, at a crucial time in the Indonesian and Norwegian electoral cycles;
- if paid in 2020, even a relatively small CfR sum would serve to demonstrate the calculation process - including the parameters for quantifying emission reductions and the price payable per tonne of CO₂e

conserved²⁷ - while also testing the practical systems for payment and accountancy, and giving some form to the question of how CfR rewards are to be distributed to the provincial level; and

- if the first CfR was paid on the tenth anniversary of the Lol in 2020, this milestone may appeal to the national and international media and contribute to the building of public awareness of REDD+ in both Indonesia and Norway.

The implication is that 2019-2020 will be a decisive moment for which specific preparation is needed. The Partners will need to agree on where they are relative to the Lol deliverables, in order to formally close Phase 1 and confirm the validity of the MRV system, FREL baselines for key forested provinces, and the financial mechanism. This would make possible a transition from Phase 2 to Phase 3, which could then be considered by the 2019 independent review. Specialised inputs would meanwhile also be needed, both to design a REDD+ account within the BLU for CfR payments, and to inform decisions on whether and how to use the ICCTF to deliver grants to support local governmental and non-governmental institutions, and for deliberation tasks. It is assumed that a capacity would be retained for NICFI to continue supporting civil society directly, outside the Lol and CfR mechanisms but in ways that support their operations. Furthermore, the most important role of the Partnership so far has been in building capacity to reduce deforestation through the development of transparency, participation, public motivation, law, and policy. This implies that continued investment in KLHK, KPK, BRG, civil society, and other actors and stakeholders would be appropriate, but this raises the questions of exactly what can and cannot be paid for, and whether to increase the long-term share of the Lol commitment that would be spent on these tasks relative to that reserved for CfR payments at national and/or provincial level. A robust consensus between the partners on all these issues will be required to ensure a smooth transition from the current phase to the next, bearing in mind uncertainties such as the 2019 election and the chance of a new El Niño drought and potential fires. The recommendations that follow take these uncertainties into account while also building on patterns of need and opportunity among the other topics reviewed above.

3.5 Recommendations to the Partners

3.5.1 Building consensus on transition issues

There is a need to build a robust consensus between the Partners on the formal closure of Phase 1, on the validity of the MRV system, FREL baselines and financial mechanism to allow a transition from Phase 2 to Phase 3, on technical issues surrounding a REDD+ account within BLU and the suitability of the ICCTF as a 'small grant' mechanism, and on what the Lol process can and cannot support given its strategic aims, while bearing in mind that this must all now fit within a much larger set of national objectives that are about securing economy-wide emission reductions in line with NDC and SDG commitments. This requires the Norwegian partner to be very clear on its purposes and priorities, to agree these at a high level with the Gol partner, and then to conduct dialogue and joint planning with all concerned ministries, agencies and other actors based upon the same priorities and constraints. This process will help to prevent misunderstandings while contributing to a robust consensus for the transition between the second and third phases. It would then also be desirable for an agreement to be reached to allow a first CfR payment to be made in 2020.

3.5.2 Mainstreaming the climate response in KLHK

The idea that emission reduction in the forest estate is a KLHK-wide mandate, to involve all the DGs and to be coordinated by the secretary-general of the Ministry, has been strongly promoted by the Minister over the

²⁷ Thus creating a precedent that may facilitate other global decarbonisation efforts, where long-term price uncertainty presumably affects investment planning.

last year. In response, the Partnership has delivered technical support on knowledge management to four of the most relevant of the DGs, in the process enabling access to networks of other organisations with the expertise and resources to support them in delivering proven emission reductions in line with their collective mandate. As a way to build a ministry's performance capacity through working together to solve specific problems and deliver specific outputs and outcomes, this model cannot be faulted. Much more of the same but with longer-term funding would be the logical way forward. That said, the Partners should consider an evaluation of progress on KLHK capacity building while also discussing with KLHK how to make rapid progress on the following points.

- **Goals and targets.** Agreeing longer-term plans, targets, and terms of reference for all DGs against the ministry-wide mandate to deliver emission reductions from all activities.
- **Training.** Agreeing inter-DG communication arrangements and a training framework through which all DGs can attain specific goals for knowledge management and human resources development.
- **Peatlands.** Improving communication and promoting convergence between BRG and the relevant DGs, with a view to the sustainable institutionalisation of BRG's mandate by KLHK.
- **Enforcement.** Strengthening the capacity of DG Law Enforcement in particular, through provision of legal expertise and further collaboration with national, sub-national and non-state actors.
- **Land rights.** Accelerating clarification of IPLC land rights in collaboration with the Adat Land Task Force.
- **Tanah Papua.** Building on the work of DG Planologi to apply ecoregional modelling to support local regulations in line with agreements between the Papuan provinces.
- **Social forestry.** Continuing support for programmes through DG Social Forestry, and further study and demonstration of their emission reduction and socioeconomic values.
- **Public education.** Promoting public understanding of the contributions of KLHK to the ministry-wide and economy-wide climate response in line with national priorities.

3.5.3 Enabling sub-national and non-state emission reductions

Many observers stressed the need to find ways to deliver investment at the sub-national level to enable people to contribute to emission reductions while seeing real benefits to themselves. These needs can be met partly through accelerated recognition of IPLC land tenure, which would be widely welcomed and has the potential to contribute strongly to NDC emission-reduction targets. They can also be met partly through the work that GGGI and others have been doing on green growth with local government in East and Central Kalimantan and South Sumatra, and the 'true one map' projects supported by WRI in Riau, South Sumatra, Papua and West Papua. More direct measures are also desirable, which might include the following.

- **Promoting participatory mapping, socioeconomic assessments and marketing assistance at village level,** a potentially transformative approach that is applicable to a wide range of locations.
- **Promoting inter-provincial dialogue and knowledge-sharing on green growth and related initiatives,** which could be enhanced both directly between like-minded governors (modelled on the recent joint work between Papua and West Papua), and a global dimension through the GCFTF.
- **Exploring the option of establishing a district conservation fund at each district in each pilot province,** to allow the district government to hire and equip local people to work full-time on the protection of forest and peatland, using a 'conservation' line in the district government budget, with expenditure being accounted retrospectively.
- **Commissioning provincial governments to deliver tasks such as a comprehensive One Map exercise,** which would give the province the opportunity to prove its effectiveness as a delivery partner, and enhance feelings of ownership while supporting the REDD+, green growth and other agendas.
- **Exploring opportunities for public-private partnerships with companies planting on degraded land,** and to relieve disincentives for private investments in dialogue with enterprises that are already working to build collaboration between conservation concessions, KPH and protected area managers.

3.5.4 Environmental education and public outreach

Outreach to candidates for election as president and vice president in 2019 would help ensure that the Partnership benefits from their understanding and appreciation of the Lol process and related issues. Delivery partner GGGI (2018) has analysed the policy positions of the presidential candidates, which provides a starting point. More broadly, GGGI opinion surveys show that the general public in Indonesia has little understanding of the content or implications of the Lol process, suggesting that a major public education programme on environment and climate change is needed. Content for media-friendly environmental outreach is available from UNEP and elsewhere, and content on Islamic environmental positions is available from the Alliance of Religions and Conservation²⁸, the NICFI-supported Interfaith Rainforest Initiative²⁹ and other sources endorsed by senior Islamic scholars (e.g. Abou Bakr *et al.*, 1983). The Partners should consider designing a process for introducing this material to the main Muslim networks (Nahdlatul Ulama, Muhammadiyah, and Majelis Ulama Indonesia, the last of which has already been influential in issuing Islamic guidance on forest and biodiversity protection³⁰), while also reaching out to teacher-training systems, parliamentary commissions, and media outlets. The Partners might also consider other measures, such as annual prizes for the best projects and discoveries on climate change mitigation (e.g. on how to capture GHGs from the air cheaply at scale, and store the extracted carbon safely) and adaptation (e.g. on how to strengthen ecological and social systems against diverse and unpredictable environmental stresses), which are both fields where it would be helpful to access Indonesia's unique creativity to help solve urgent global as well as national challenges.

²⁸ <http://www.arcworld.org>

²⁹ <https://www.regnskog.no/en/news/interfaith-rainforest-initiative>

³⁰ See: <http://arcworld.org/news.asp?pageID=689> and <http://arcworld.org/news.asp?pageID=821>.

Annex 1: Lines of enquiry

The following lines of enquiry and associated questions were developed in early August 2018 based on the Lol and terms of reference. They were circulated to potential informants with a request for written comment, in most cases with one or more of the topics pasted into the message to draw the correspondent's attention to those that seemed most relevant to them. The content of written replies is used here in the same way as the information from interviews, being folded into the synthesis report without specific attribution.

1. Moving to Phase 3 (i.e. the actual delivery of carbon emission reductions according to the letter and spirit of the Lol).

- What are key policy, law, practice and organisational indicators for Phase 3 readiness?
- What specific changes are needed before Phase 3 initiation can be recognised?

2. Overall carbon emissions.

- Is there any evidence that overall emissions from forest and land use changes have declined since 2010, or that they may be about to start declining?
- What are the main factors affecting or obscuring any trend in emissions, and how has the Partnership contributed?
- How do observed trends in carbon emissions relate to the various levels of ambition of the 2010 Lol and Indonesian initiatives such as the 2009 Presidential commitment, the 2011 RAN-GRK, and the 2016 NDC?

3. Nationwide MRV system.

- What is the status and development trajectory of a nationwide MRV system for emissions from forest and peatlands, including an MRV protocol and institutional arrangements for forest monitoring and reporting?

4. Forest governance: planned exploitation and conversion.

- Regarding the moratorium on awarding new permissions for forest and peatland exploitation and conversion, how has it been implemented since 2010, what changes have been introduced, and with what effect (e.g. in hectares not destroyed or tCO₂e not emitted relative to 'no action' scenario)?
- Regarding other aspects of the system of awarding permissions since 2010, what changes have been introduced, and with what effect?
- How has the government implemented monitoring plans and coordinated among law enforcement agencies?
- How has the government involved other entities in validation of map revision and in responding to reports?

5. Forest governance: forest and peatland tenure security.

- What advances have there been in upholding the rule of law in the forest sector, including concessions review and combatting forest crimes?
- What advances have there been in land tenure reform, conflict resolution and rights of indigenous peoples (e.g. through the Government's social forestry programme, implementation of Constitutional Court Decision 35/2013 on adat community rights in State Forest lands, the joint government and civil society road map for land tenure, and the One Map Policy of the Government)?

- How have *adat* lands been delineated and registered through cooperation among the ATR agency, BIG, KLHK and related ministries, and which *adat* lands have been included in the One Map as a future main reference point?
- How has NICFI support helped build the capacity of Indonesian civil society to promote land and forest tenure and conservation (of carbon, biodiversity, ecosystem services, etc.)?

6. Provincial actions.

- What plans and frameworks for reducing emissions from forest and land use are in place in East Kalimantan?
- What is the implementation status of these plans and frameworks, what effect are they having or expected to have, and what constraints do they face?

7. Development of the REDD+ financing mechanism.

- What lessons were learned from the design of FREDDI, and how is the BPD LH an improvement over other options for complying with the letter and spirit of the Lol?
- How does/will the BPD LH work, and what specific provisions does it contain to facilitate and manage carbon emission investments and returns on investments?
- What opportunities and potential rewards do private and other investors see in carbon conservation, and how could the predictability of returns on investment be improved in the long term?

8. Other developments in institutional and regulatory frameworks and capacity.

- How has the transition from BP REDD+ Agency to KLHK-DGPPI affected progress on relevant capacity building?
- How has the integration of DNPI with KLHK-DGPPI affected progress on relevant capacity building?
- How has the establishment of the Badan Restorasi Gambut (BRG) affected progress on relevant capacity building?

9. International commitments and reporting.

- What are the main features of the RAN-GRK, the ER-PIN, the Third National Communication and the safeguards summary for UNFCCC, and the NDC, and how might they be expected to affect capacity for modifying emission trajectories and adaptation capacity?

Annex 2: Individuals consulted

Institutions	Interviewees and correspondents
AMAN	Rukka Sombolinggi, Abdon Nababan, Mina Setra
ANU & UI	James J. Fox (Professor of Anthropology)(written)
Bumi	Ade Fadli
CIFOR	Christopher Martius, Amy Duchelle, Moira Moeliono
Climate Policy Initiative	Suzanty Sitorus
CLUA	Dewi Suralaga, Chip Fay (written)
DDPI Kaltim	Daddy Ruhiyat
Econusa	Bustar Maitar
ESP3-Danida	Per Rasmussen
Executive Office of the President	Dr Yanuar Nugroho
FORCLIME-GFA/KfW	Stephen Devenish
FORCLIME-GIZ	Georg Buchholtz, Lutz Hofheinz
FORCLIME-GIZ Kaltim	Tunggul Butarbutar
Forest Peoples Programme	Marcus Colchester, Patrick Anderson
Former BP REDD+	Heru Prasetyo (Head), Nurdiana Darus (Pilot Provinces), Agus Sari (Financing Instrument), Nirarta Samadhi (Moratorium)
Former MFA Norway	Stig Traavik (Ambassador, 2012-2016)
Former REDD+ Task Force	Kuntoro Mangkusubroto (Head)
GGGI	Marcel Silvius, Tim Jessup, Ben Tular, Latifa Sitadevi, Meirini Sucahyo
ICRAF	Sonya Dewi, Suyanto
Kemitraan	Dewi Rizki, Hasbi Berliani, Monica Tanuhandaru
KLHK, DG Climate Change Control	Dr Ruandha Sugardiman, Dr Lawin Bastian, Agung Setyabudi, Belinda Margono
KLHK, DG Law Enforcement	Rasio Ridho Sani
KPK	Dr Laode Syarif (& staff)
Ministry of Finance	Parjiono Ciptowidarto (& staff)
Ministry of Foreign Affairs	Minister Retno Marsudi
Norway's Ministry of Climate and Environment	Hege Ragnhildstveit, Per Fredrik Ilsaas Pharo

Peat Restoration Agency	Nazir Foead, Budi Wardhana
Rainforest Foundation Norway	Anja Lillegraven, Elna Bastiansen
Rimba Makmur Utama (PT)	Dharsono Hartono, Rezal Kusumaatmadja
Royal Norwegian Embassy	Lisetta Trebbi, Susilo Ady Kuncoro, Nita Irawati Murjani, Øyvind Dahl
Samdhana	Martua Sirait, Dikha
TNC Kaltim	Niel Makinudin
UKCC	Farah Sofa, Su-Lin Garbett Shiels
UNDP	Roy Rahendra, Abdul Wahib Situmorang
UNEP	Johannes Klieft (written)
WIIP	Nyoman Suryadiputra (written)
World Bank	A.J. Glauber, Anita Kendrick, Aichida Al-Aflaha
WRI Indonesia	Nirarta Samadhi, Adi Pradana

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