

REDD+ Feasibility Study in Indonesia



ITTO Side Event at UNFCCC COP16

2 December 2010

Project Summary

Analyze feasibility of GHG emission reductions through REDD+ project developed by Japanese private companies

Investigation Items

- ① Analysis of current situation
- ② Establishment of REDD+ Project Plan
- ③ Establishment of REDD+ Project Scheme
- ④ Consideration of MRV/Methodology
(Including Expert meeting)
- ⑤ Consideration of Issues / Countermeasures

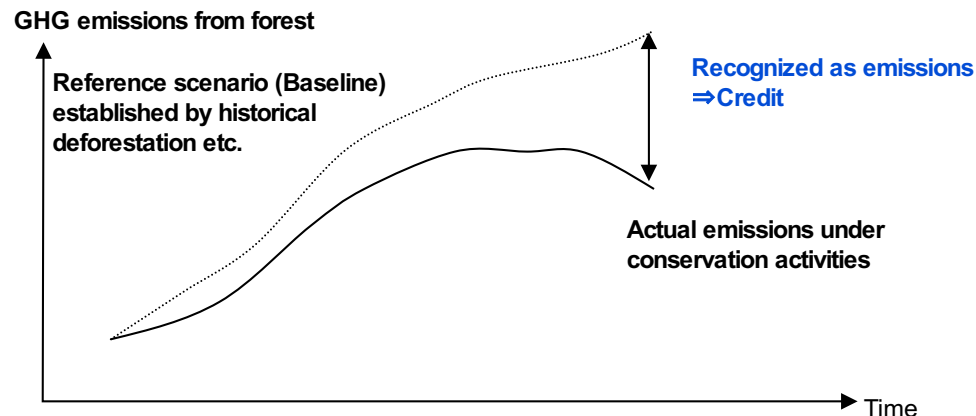
Partners/Project Location

- ERM Japan Ltd.
- ITTO
- Ministry of Forestry (Indonesia)
- Accounting/Legal Firm
- Location: Kalimantan / Sumatra

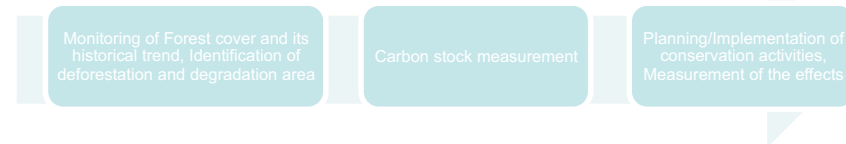
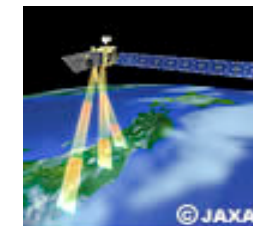


Expected Reductions/ Measurement Method

Size ; hundreds of thousands ~ millions -tCO₂/y



Field sampling data and satellite imaginary data by a satellite such as JAXA's ALOS will be utilized



Contents of Feasibility Study

① Analysis of Current Status

- General situation
- Policy & Program
- Emission reduction potential

② Establishment of REDD + Project Plan

- Pilot site selection
- Project development plan
- Institutional setting
- Development schedule
- Study on applicable remote sensing technology
- Baseline setting
- Carbon stock measurement

③ Establishment of REDD + Project Scheme

- Investment structure
- Credit transfer scheme
- Study on local regulations (Legal, Accounting & Tax)
- Estimation of development/operational cost & profit
- Economic evaluation

④ Consideration of MRV/Methodology

- Applicable standards
- Preparation & evaluation of MRV
- Review of MRV
- PDD

⑤ Comparison & Study of REDD+ MRV / Methodology through Expert Meeting

⑥ Consideration of issues / countermeasures

Latest Progress

- ❑ **2 pilot sites determined**
 - a) **Central Kalimantan Province, Kalimantan**
 - b) **Riau Province, Sumatra**

- ❑ **MOF-ITTO Contract executed, 1st disbursement completed**
(Actual FS activity started)

- ❑ **3 departments under MOF (Forestry Business Development, Forestry Planning) will conduct actual investigation. TOR are currently under review.**

- ❑ **Technical Meeting scheduled in December**

Pilot Sites

Site Selection

2 Pilot Sites have been determined.

Place	Sumatra	Kalimantan
Size	70,000 ha	200,000 ha
Remarks	Peat land	Peat land

※ We will collaborate with Indonesian domestic companies already in progress of applying land concession for the sites.

〈Pictures: Sumatra〉



(Project Site)

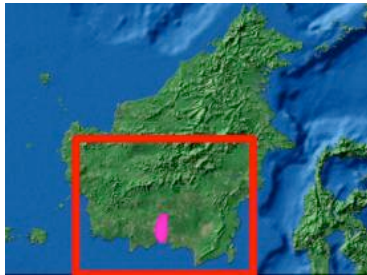


(Water surface of the river, water is brownish because of the peat)



Pilot Site (Central Kalimantan)

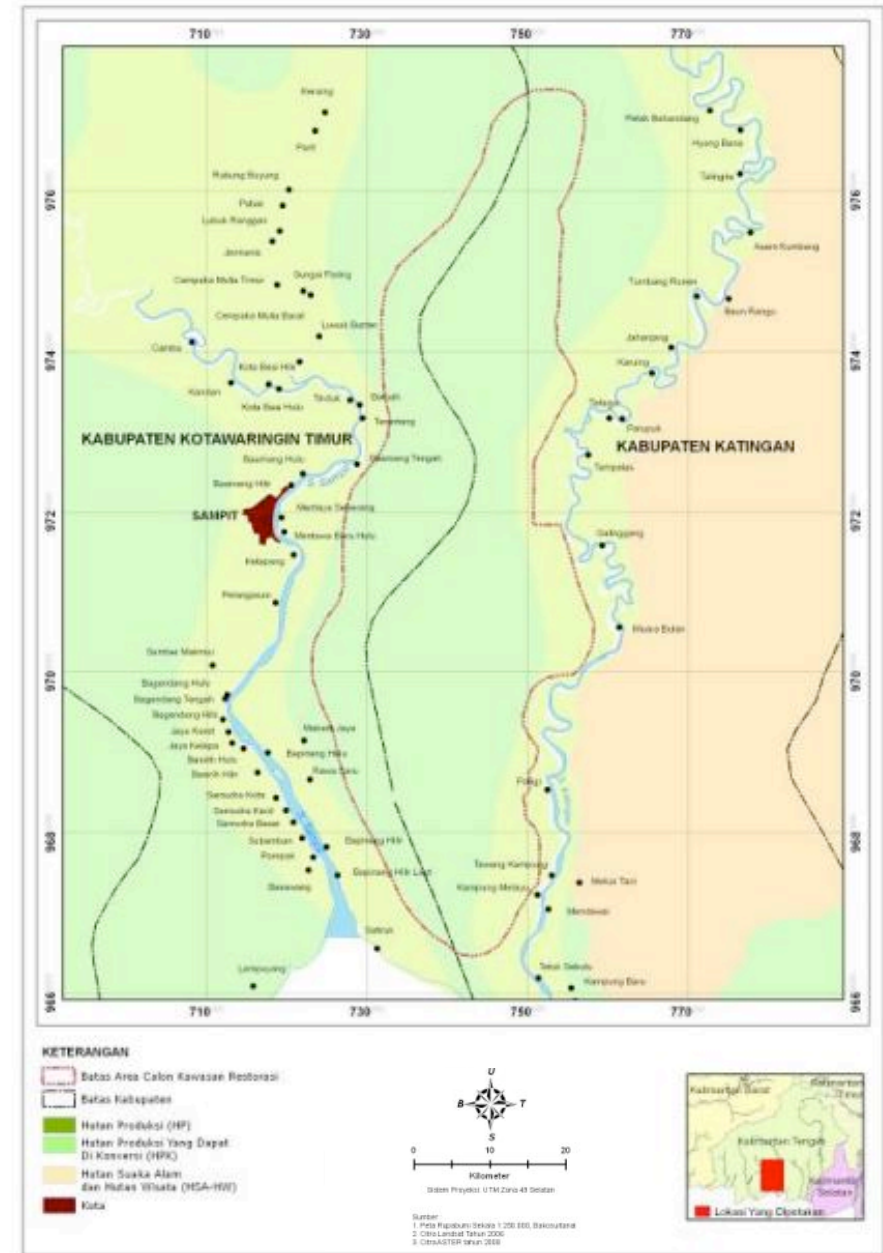
Location:



Peat forest in Kabupaten Kotawaringin Timur and Katingan, Central Kalimantan

	Hectares	%
Production forest (HP)	198,396	87.30%
Production forest that can be converted (HPK)	28,864	12.70%
Total	227,260	100.00

Type of concession: *Restorasi Ekosistem*
60 years



<Source: PT Rimba Makmur Utama “Katingan Peat Forest Conservation Project”>

Framework for consideration (MRV/Methodology)

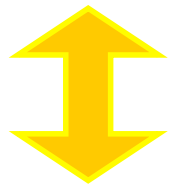
Consideration of VCS (REDD) Methodologies

VCS VM0004
(Applicable to peat land)

<Points to be considered>

- Measurement method in peat land
- Applicable only to planned deforestation

<Measurement method of the carbon stock>
 3 methods based on IPCC presented



Comparison/ Study

VCS REDD related other methodologies
(4 methodologies)

- Applicable to unplanned deforestation as well
- Setting method of the base line, etc.

Expert Meeting

<Timing> November & January
 (Total 2 meetings)

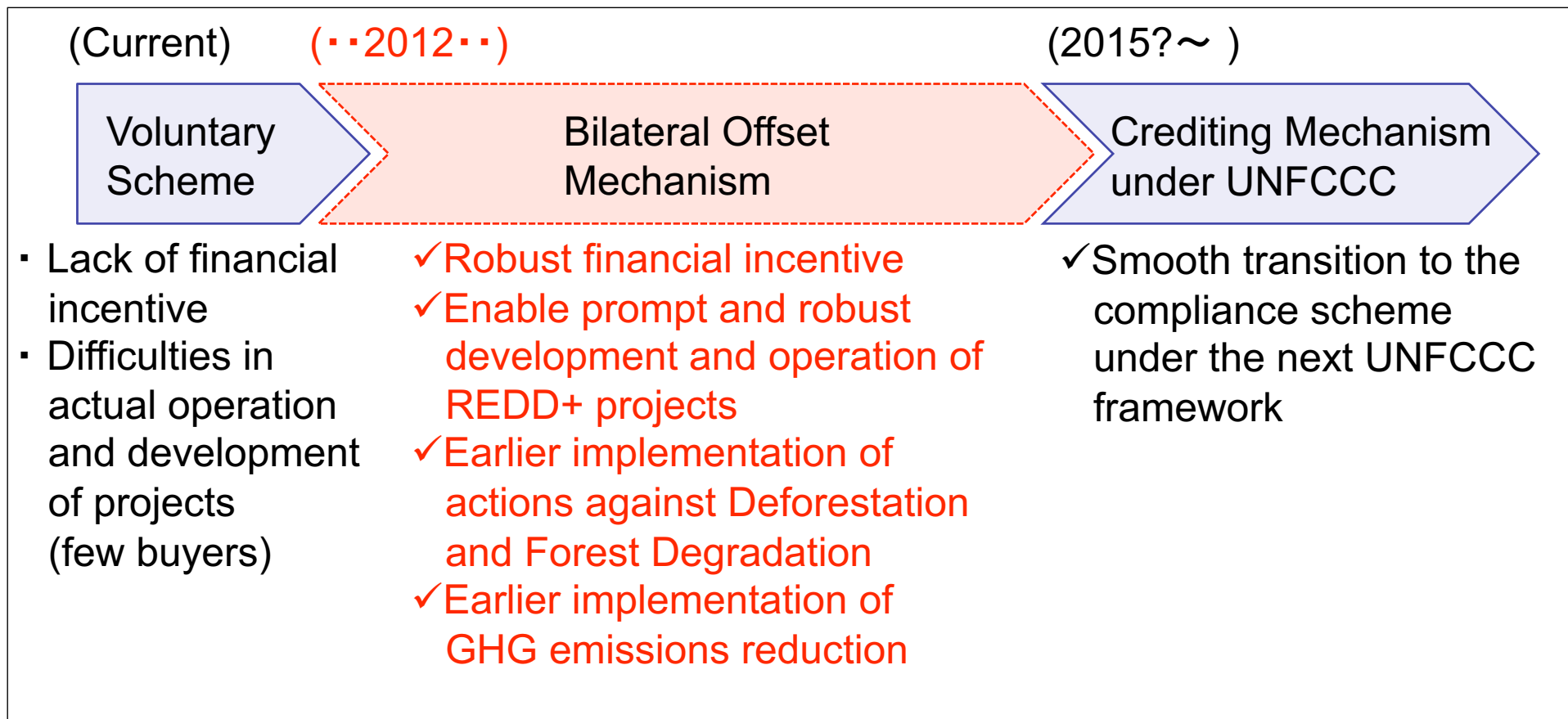
<Objective> To Consider REDD+ MRV and Methodology under the Bilateral Offset Mechanism (especially to address the expected gap between required criteria under the future standard and current voluntary standard)

✂ Compare and study the existing methodologies (as mentioned left) and consider countermeasures to the issues of VM0004 (if any)

<Next Step> Consultation with Indonesian side on MRV which is under consideration in Indonesia

Concept of Bilateral Offset Mechanism

- We aim to incentivize early and effective implementation of actions against Deforestation and Forest Degradation through prompt development and operation of REDD project in Indonesia by filling the gap between the current voluntary scheme and the future crediting mechanism under the UNFCCC.



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