INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)

REDUCING DEFORESTATION AND FOREST DEGRADATION AND ENHANCING ENVIRONMENTAL SERVICES IN TROPICAL FORESTS (REDDES)

PROJECT DOCUMENT

TITLE	ENHANCING FOREST CARBON STOCK TO REDUCE EMISSION FROM DEFORESTATION AND DEGRADATION THROUGH SUSTAINABLE FOREST MANAGEMENT (SFM) INITIATIVES IN INDONESIA
SERIAL NUMBER	RED-PD 007/09 Rev.2 (F)
SUBMITTED BY	GOVERNMENT OF INDONESIA
ORIGINAL LANGUAGE	ENGLISH

SUMMARY

Reducing emission from deforestation and degradation in developing counties becomes national, regional and international issues. The need for SFM to be part of any scheme to reduce deforestation and degradation in the tropics is becoming crucial and important. It is recognized that SFM will not completely eliminate deforestation problems but will improve forest management and bring economically feasible, ecologically sustainable and socially acceptable management practices. However information on SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 emission has not yet reached the majority of stakeholders/parties globally and particularly in Indonesia.

In light of the importance of tackling the issues above, the project will promote the SFM as an important option for forest based climate change mitigation to reduce emission from and by tropical forest. As first step priority, the proposed project will focus only on initiating multistakeholder processes in developing national strategy to maintain and increase forest carbon stock through SFM implementation. The expected outputs of the project are: (1) Information concerning SFM forest based carbon, C stock, CO2 sequestration, and green products is available; (2) Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation assessed; (3) Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and carbon storage in green products in order to reduce GHG CO2 developed.

After project completion it is expected that strategy will be institutionalized and adopted by various levels to be the programme and action in reducing emission from deforestation and degradation. The successful implementation of the project will generate awareness among local people and other related stakeholders to participate in managing forestland in a sustainable way. Local government, communities and private sector will get incentives from the ongoing effort in implementing conservation and forest management in reducing emission from deforestation and degradation.

EXECUTING AGENCY	DIRECTORATE GENERAL OF FOREST PRODUCTION DEVELOPMENT, DIRECTORATE OF PLANNING DEVELOPMENT FOR FOREST UTILIZATION, MINISTRY OF FORESTRY		
COOPERATING GOVERNMENTS	-		
DURATION	24 MONTHS		
APPROXIMATE STARTING DATE	TO BE DETERMINED		
BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US$	Local Currency Equivalent
	ITTO	**447,071.40**	
	Gov't of Indonesia	92,545.20	
	TOTAL	**539,616. 60**	

TABEL OF CONTENTS

PROJECT BRIEF

Reducing emission from deforestation and degradation in developing country (REDD) becomes national, regional and international issue. It is widely accepted that forest play an important role in global C (Carbon) budget , acting either as sinks and sources of C. Forests take a part in transforming GHG CO2 emission into solid carbon (biomass) that stays in the forests as a C stock, additional C biomass as a sequestered CO2, and stock C biomass in green products. REDD has emerged in COP 13 year 2007 at Bali as a component of the post-Kyoto global climate protection regime. REDD scheme is one of the decisions to reduce emissions. It was agreed to start gaining experiences in this field through implementation of demonstration activities on REDD. Up to now REDD is still under the process of negotiation. But recent negotiation progress (2009) on REDD development agreed that REDD activities are to be broadened into **REDD plus** which relates to the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

The need for SFM to be part of any scheme to reduce deforestation and degradation in the tropics is becoming crucial and important. The role of conservation and forest management in reducing carbon emission from tropical forest is now part of UNFCCC negotiating text for COP 15 Copenhagen. However it is recognized that SFM will not completely eliminate deforestation problems but SFM will improve forest management and bring economically feasible, ecologically sustainable and socially acceptable management practices. Moreover SFM will promote more carbon stock in the forest, carbon sequestration and more stock carbon in form of green product. Recently interest has grown in regulatory/voluntary market based initiatives derived from forest in Indonesia. The implementation of such projects will enhance private sector engagement in forest carbon initiatives and promote SFM for voluntary carbon offset as well as may reduce the pressure on forest which in turn leads to slowing rate of deforestation The scheme would be possible to be applied and widely used in Indonesia if the international community would strongly support implementation of SFM practices as a significant means to reduce carbon emissions.

At the moment there is one on-going ITTO projects financed in 2009; ITTO Project PD 519/08 Rev.1 (F) "Tropical Forest Conservation for REDD and Enhancing Carbon Stock in Meru Betiri National Park" funded by 7&I, which has two specific objectives, (1) to improve the livelihoods of local communities living inside and in the surrounding area of Meru Betiri National Park (MBNP) through participation in avoiding deforestation, degradation and biodiversity loss and (2) to develop a credible measurable, reportable and verifiable (MRV) system for monitoring emission reductions from deforestation and forest degradation and enhancement of forest carbon stocks in MBNP. The results of this project such as comprehensive baseline data and estimation of emission reduction and carbon enhancement and system for monitoring emission reduction in conservation forest will be used as source of information and as reference in developing a national strategy to maintain and increase forest carbon stock through sfm implementation.

However information on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 emission has not reached the majority of key stakeholders/parties/decion-makers globally and particularly in Indonesia. And a National Strategy using SFM as important option to reduce emission from and by tropical forest is not yet developed. As first step priority, the proposed project will focus only on intiating multistakeholer processes in developing national strategy to maintain and increase forest carbon stock through SFM implementation. At present there are around 10-15 private sector SFM initiatives active on the ground to reduce emission from deforestation which are financed or seeking finance from the markets (see Annex 5). That is why a supportive policy and strategy , regulatory and institutional arrangement are needed for a successful implementation of SFM in maintaining and increasing forest carbon stock.

The expected outputs of the project are: (1) Data information concerning SFM forest based carbon, C stock, CO2 sequestration, and green products is available; (2) Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation assessed ; (3) Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and carbon storage on green products in order to reduce GHG CO2 developed.

To achieve the objective, the following approaches and methods are will be taken:

1) Collect and analyze data on existing strategy policy and institutional framework for forest based climate change mitigation and adaptation to reduce emission from tropical forest in Indonesia
2) Develop study analysis of SFM initiatives and REDD scheme in Indonesia and involvement of private sectors in these activities. Findings, inputs and recommendations of study and assessments will be used for basis analysis and development of strategy.
3) Stakeholder communication/consultation /dialogue at national and sub-national (province and district) level to be carried out in various form e.g. workshop, awareness rising, and training. and participatory discussions with local communities, private sectors and other relevant stakeholders (Ministry of Environment, National Council of Climate Change, etc) in Indonesia in improving awareness regarding SFM as effective framework to reduce emission from and by tropical forest and working together with Team Work of Cilmate Change MoF.
4) Supporting infrastructure and mechanism in implementing SFM link to REDD which will taken by facilitate improvement of regulation and policy, formulation of economic incentive framework for those practicing sfm and facilitating the process of formation of organization and/or institution working in accreditation and/or certification, assurance, institution for monitoring for emission reduction.
5) Intiating multistakeholer processes in developing national strategy to maintain and increase forest carbon stock through SFM implementation. At present there are around 10-15 private sector SFM initiatives active on the ground to reduce emission from deforestation which are financed or seeking finance from the markets (see Annex 5).
6) Improving capacity of Decion Makers within Ministry of Forestry and other sectors such as Ministry of Environment, Ministry of Home Affairs, National Planning Agency, Ministry of Finance, Ministry of Foreign Affairs etc regarding issue SFM and REDD plus
7) Strengthen information sharing and networking within ITTO member countries to disseminate information on lesson learned from implementing forest based climate change initiatives including REDD and other initiatives based on SFM on the grounds in Indonesia through the international workshop and dialogue

After project completion it is expected that strategy will be institutionalized and adopted by various levels to be the programme and action in reducing emission from deforestation and degradation through SFM activities. Local government, communities and private sector will have opportunity to get incentives from the on going effort in implementing conservation and forest management in reducing emission from deforestation and degradation. The successful implementation of the project will generate awareness of local people and other related stakeholders to participate in managing forestland in a sustainable way

The project deals mostly with decision makers and institutional strengthening which should receive full commitment from the related stakeholders from both national anprovincial/district level .The key assumptions are: all relevant stakeholders committed to support SFM as important option in reducing deforestation and degradation and they are willing to cooperate . National and regional policy support for SFM as framework for forest based climate change mitigation is cosistent.

A potential risk in the process of formulating policy and strategy may emerge from the conflict of interest between key stakeholders who has authority in managing forest area. The source of conflict may result from:

a. The different government level of authority.
b. Changes in political leadership at various levels
c. Limited environmental awareness and capacity of administrations and other stakeholders

Several actions will be taken to mitigate the risks such as : improve dialogue and communication between key target groups including relevant government authorities, local community, private sector, etc. Stakeholders will be invited to join as members of the Project Steering Committee. Support Indonesian policy makers at various level to improve commitment/ willingness to reduce emission from deforestation and degradadation through SFM application to ensure the success of this project and improving capacities in order to make common understanding that SFM is an important option in reducing emission from deforestation and degradation.

The proposed project cost is estimated at **US 539,616.60**$ A significant amount of fund is expected to come from main donor (ITTO) estimated approximately **447,071.40** US$ (82.84 %) which will be needed for twenty four months. Other contribution will come from the Executing Agency (Dit.Gen Forest Production Development **92,545.40** US $ or (17.16 %)

LIST of ABBREVIATIONS and ACRONYMS

BAPPENAS	: National Development Planning Agency (*Badan Perencanaan Pembangunan Nasional)*
CBPF	: Community Based Forest Plantation
DPD-FU	: Directorate of Planning Development for Forest Utilization(DPD-FU)
DNPI	: Indonesian National Council on Climate change (*Dewan Perubahan Iklim)*
FMU	: Forest Management Unit (*KPH-Kesatuan Pemangkuan Hutan*)
GHG	: Green House Gas
HPH	: *Hak Pengusahaan Huta*n (Forest Concession)
HTI	: *Hutan Tanaman Industri* (Industrial Forest Plantation)
HTR	: *Hutan Tanaman Rakyat* (Community Plantation Forest)
HKM	: *Hutan Kemasyarakatan* (Community Forest)and customary Forest
Hutan adat	: Customary Forest (*Departemen Kehutanan*)
IFCA	: Indonesian Forest Climate Alliance (IFCA)
ITTA	: The International Tropical Timber Agreement
MoF	: Ministry of Forestry
MoE	: Minstry of Enviironment
REDD	: Reducing Emission from Deforestation and Forest Degradation
SFM	: Sustainable Forest Management
UNFF	: United Nation Forum on Forest
UPT	: *Unit Pelaksana Tugas* (Technical Implementation Unit)
VCM	: Voluntary Carbon Market

Map of project Area

To be developed. Some area of SFM initiatives has been inspected.

PART 1 PROJECT CONTEXT

1.1 Origin

Deforestation and forest degradation have been identified as important sources of greenhouse gas emissions. Carbon emissions from land-use change are estimated to account for one-fifth of current global emissions, and maintaining existing forests has been promoted as one of the least expensive climate mitigation options. In Indonesia emissions resulting from deforestation and forest fires are about 85% of the total Greenhouse Gas (GHG) emissions.

Reducing emission from deforestation and degradation in developing country (REDD) becomes national, regional and international issue. It is widely accepted that forest play an important role in global C budget , acting either as sinks and sources of C. Forests take a part in transforming GHG CO2 emission into solid carbon (biomass) that stays in the forests as a C stock, additional C biomass as a sequestered CO2, and stock C biomass in green products. REDD has emerged in COP 13 year 2007 at Bali as a component of the post-Kyoto global climate protection regime. REDD scheme is one of the decisions to reduce emissions. The Bali Road Map of the UNFCCC COP 13 made a decision on REDD calling for policy approaches and policy incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries. While the negotiation under way for COP 15 Copenhagen (this should be revised b'se Copenhagen is over now), There was a general concensus that REDD activities are to be broadened into a new term 'REDD plus'. which relates to 'Reducing emission from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries'

REDD plus was the term to refer to Bali Action Plan paragraph 1b (iii) . The term was first used in "Adhoc Working Group on Long Term Cooperation Action under the Covention" at the sixth session in Bonn, 1-12 June 2009. In this document, actions under text (FCCC/AWGLCA/2009/INF.1 para 106 s/d 128);*Policy approaches and positive incentives on issue relating to REDD in developing countries; and the role of conservation, SFM, and enhancement of carbon stocks in developing countries*

The need for SFM to be part of any scheme to reduce deforestation and degradation in the tropics is becoming crucial and important. The role of conservation and forest management in reducing carbon emission from tropical forest is now part of UNFCCC negotiating text of COP 15 Copenhagen. However it is recognized that SFM will not completely eliminate deforestation problems -SFM will improve forest management bring economically feasible, ecologically sustainable and socially acceptable management practices. SFM will maintain and increase more carbon stock in the forest, carbon sequestration and stock carbon in form of green products.

Recently interest has grown in regulatory/voluntary market based initiative derived from forest in Indonesia. REDD scheme is one of the primary priority projects' list in the document of the National Development Planning: Indonesian Responses to Climate Change. However, the National REDD programme is still under preparation. Irrespective the existence of the National Programme, at present a number of initiatives on the ground related to REDD is already underway even though all of them are still at the preliminary stages. Some of the initiatives are being discussed in the context of Voluntary Carbon Market and could be used as lesson learned to generate credits from other carbon offset, from SFM initiatives/projects and linked with the REDD demonstration activities (bilateral initiatives). The implementation of such projects will enhance private sector engagement in forest carbon initiatives and promote SFM for voluntary crabon offset as well as may reduce the pressure on forest which in turn would lead to slowing rate of deforestation The scheme would be possible to be applied and widely used in Indonesia if the international community would strongly support implementation of SFM practices as a significant means to reduce carbon emissions.

At the moment there is one on-going ITTO projects financed in 2009; ITTO Project PD 519/08 Rev.1 (F) "Tropical Forest Conservation for REDD and Enhancing Carbon stock in Meru Betiri National Park" funded by 7&I has two specific objectives, which are (1) to improve the livelihoods of local communities living inside and in the surrounding area of Meru Betiri National Park (MBNP) through participation in avoiding deforestation, degradation and biodiversity loss and (2) to develop a credible measurable, reportable and verifiable (MRV) system for monitoring emission reductions from deforestation and forest degradation and enhancement of forest carbon stocks in

MBNP. The results of this project such as comprehensive baseline data and estimation of emission reduction and carbon enhancement and system for monitoring emission reduction in conservation forest will be used as source of information and as reference in developing a national strategy to maintain and increase forest carbon stock through sfm implementation.

information on SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 emission has not reached the majority of key stakeholders/parties/decion-makers globally and particularly in Indonesia. The **National Strategy using SFM as important option to reduce emission from and by tropical forest is not developed yet.** At present there are around 10-15 private sector SFM initiatives active on the ground to reduce emission from deforestation which are financed or seeking finance from the voluntary markets (see Annex 4). That is why supportive strategy and policy , regulatory and institutional arrangements are neededfor a successful implementation of SFM on carbon market.

1.2 Relevance

Conformity with ITTO's objectives and priorities

(1) Compliance with ITTA 2006 Objectives article 1

The project is confirming to the objectives contained in Article 1 of ITTA,2006 **through reformulation of policy and economic framework in managing forest resource** particularly regarding objectives :

(c) Contributing to sustainable development and to poverty alleviation;
Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources;
(m) Encouraging members to develop national policies aimed at sustainable utilization and conservation of timber producing forests, and maintaining ecological balance, in the context of the tropical timber trade;
(o) Encouraging information sharing for a better understanding of voluntary mechanisms such as, *inter alia*, certification, to promote sustainable management of tropical forests, and assisting members with their efforts in this area;
(s) Identifying and addressing relevant new and emerging issues.

(2) Compliance with ITTO Action Plan 2008-2011

The proposed project complies with various aspects as raised in the ITTO Action Plan 2008-2011 particulrary in the comission of reforestation and forest management :

Expected outcome 5: Tropical forest resource better secured
The outcome related to the objectives (c), of Article 1 of the ITTA, 2006.
(b) Undertake studies and analyses of the latest climate change predictions and report on the implications of these for the resource base at the national level using formats and systems that facilitate synthesis
(d) Develop pilot and full-scale activities that test carbon sink and carbon sequestration measures and capture new and additional financial resources to support this

And this proposed project also in line with actions which are mentioned in :
Expected outcome 6: Tropical forest resource sustainably managed
(a) Apply the ITTO C&I, and, where necessary, adapt them for national and regional use
(g) Strengthen training institutions and intensify the training of forestry personnel and other Stakeholders in ecosystem behavior, silviculture, RIL and resource assessment, and in the management of both natural forests and timber plantations

(3) Compliance with ITTO Policy Development Series No 15 (Criteria and Indicator for the sustainable management of tropical forest)

The project is also coherent with ITTO Policy Development Series No 15 (November 2002) "ITTO Guidelines for the Criteria and Indicator for the sustainable management of tropical

forest which is intended, among others, to Criterion No. 1 Enabling Condition for sustainable forest management.

Criteria 1, i.e., enabling conditions for sustainable forest management which addresses the general institutional requirements that are necessary to make sustainable forest management possible. Most of these cover the policy, legal, institutional frameworks, and economic framework.

(4) Compliance with ITTO Thematic Programme ; Reducing Deforestation and Forest Degradation and enhancing environmental services in Tropical Forest (REDDES)

The project coherent with programme strategy

- Assesment and diagnosis; assesment of national and sub national policy, legal and institutional framework to promote climate change through sustainable forest management
- Enabling condition and capacity building; activities in this project is aimed at establishing policy legal and institution framework
- Awarennes raising among decision makers and the public

1.2.2 Relevance to the submitting country's policies

1.2.2 Relevance to the submitting country's policies

The Forest Department has long promoted the policy of sustainable management of the forest resources and has promulgated many regulations intended to ensure sustainability of the resource. Number of regulations already exist which can contribute to creating enabling conditions for climate change actions through reducing emission from deforestation and degradation, Sustainable Forest Management (SFM), forest conservation and through enhancement of carbon stock from forest restoration, afforestation if they are successfully implemented.

National macro policies in Indonesia which are related to sustainable forest management initiatives as effective framework to reduce emission from tropical country are:

The main references for managing forest resources in Indonesia are the Law No. 41/1999 on Forestry and Law No. 5/1990 on Biodiversity Conservation. These two laws reflect the philosophy of forest management in Indonesia which accommodates the needs to utilize forest resources optimally as well as to conserve forest resources to assure obtaining multi benefits in sustainable manner. The new spatial planning legislation in Act No. 26/2007 requires local government to progressively revise their spatial plan and government regulation.

Regulation PP6/2007 and its revision Government Regulation No. 3/2008 on forest arrangement and preparation of forest management plan, and forest utilisation regulates forest management in accordance with the principles of SFM. While the law No 41/1999 on forestry gave already a mandate to establish forest management units, the regulation PP6/2007 provides for the establishment of Forest Managemen Units (KPHs) as smallest forest management unit for various functions (production, protection, conservation). It stipulates that the entire forest zone shall be divided in KPHs. Those provides a framework licensing of the use of forest land for a range of environmental services as well as timber products. Government regulaton Number 6/2007 and Number 3/2008 also accommodate a greater range of community interest through licences for community plantation forest (HTR), Community Forest (HKM), and customary Forest (*Hutan Adat*).

Ministry of Forestry has set up up five priotity policies namely : (1) combating illegal logging and its associated illegal trade; (2) Forestry sector restructuring through enhancement of timber plantation and industry restructuring; (3) Forest rehabilitation and conservation; (4) Strengthening the economy of local communities and ; (5) securing forest areas. The five priority policies have been translated into long, medium and short term plannning. National long term planning (RPJN) and the national 5 year plan are the guidance for the forestry sector plannning. Furthermore, at the moment the Indonesian Ministry of Forestry cq. the Directorate of Forest Area Planning is developing the "*Rencana Kehutanan Tingkat Nasional Tahun 2010-2029*" (the National Forestry Sector Planning Year 2010-2029). In this new initiated plan, the issue of climate change is clearly stated and focused.

Presidential Regulation No.46/2008 concerning the National Board of Climate Change. Based on this regulation, the issue of climate change in Indonesia is under the coordination of the National Board of Climate Change. Therefore the climate change issue in the Indonesian forestry sector will also refer to the national policy which is developed by the national board.

Referring to the above policies and considering the international commitment regarding REDD recently **GOI has made significant progress in developing REDDES by issuing**

a) **Minister Regulation No. 68/2009** Organizing of Demonstration Activities of Reducing Emissions from Deforestation and Degradation. This regulation aims to assess and develop the methodology, technology and institution of sustainable forest management which attempts to reduce the carbon emission through controlling the forest degradation and deforestation.
b) **Minister Regulation No.30/2009** concerning the Mechanism of Reducing Emissions from Deforestation and Degradation. This regulation provides information on the mechanism in implementing the REDD in Indonesia.
c) **Minister Regulation No 36/2009** regarding Mechanism of service utilization for carbon storage and sequestration in production forest.

The release of above regulations was intended to respond to the high interest from both international partners and national stakeholders to participate in REDDES activities. The aim of the implementation of demonstration activities is to test and develop methodologies, technology and institution of SFM that endeavor to reduce carbon emission through controlling deforestation and forest degradation.

1.3 Target area

1.3.1 Geographic location

To ensure the effectiveness of project implementation, administrative operation will be maintained in Jakarta. While forest based climate change initiatives including REDD and other initiatives based on SFM on the grounds are located around Indonesia (see Annex 5 and 6). Pilot site location for lesson learned to support SFM initiative for this project will be selected and taken place in Sumatra, Kalimantan and Sulawesi.

1.3.2 Social, cultural, economic and environmental aspects

Social Cultural Aspect

This project will provide benefit from a social point of view as a policy and strategy that provides direction in developing sustainable forest management, **initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 emission,** which is to open a broader and fair employment and bussines opportunities as well as empower local poor communities to improve the people welfare in general. The findings and strategic recommendation made by the project would be taken into account by forest planners, decision makers, as well as private sector in implementing SFM intiatives as framework to reduce emission from tropical forest in the near future.

On the other hand, the most important impact caused by the successful implementation of the project is that it will generate awareness of local people to participate in protecting forestland in a sustainable way

Economic Aspect

The project has additional multiplier benefits associated with strengthening of enabling conditions of reducing emission from deforestation and degradation and improving local capacities to improve the livelihood of local communities to get better future.This project will be of benefit to the economy by income generation, which may act as a driving force for the development of both local and regional economies during and after completion of the project. Supporting infrastructure and mechanism which will be developed by this project will give opportunity for relevant stakeholders including community around the forest to get additional incentives in implementing SFM as an important option for reducing emission from deforestation and forest degradation . The strategy will be made synergic with other sectors to

achieve sustainable community and local government source income from forest based carbon stock, sequestration, and storage in green products. The strategy will be used also to ensure further idustrial development and to improve acces to market information for trade in forest products which contribute a large share of revenue to national and regional economy. The mergence of the strategy makes it possible to place economic value on the carbon stock of Indonesia tropical forest.

Environmental aspect

The project will be of benefit to the environment by highlighting the sustained management of forest resources. The policy strategy will provide guidance to implement SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 emission which will reduce deforestation and environmental degradation.

1.4 Expected outcomes at project completion

It is expected that upon the completion of the project, a large number of people and relevant agencies involved in forestry will get benefit by obtaining reliable information of the existing SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products. The strategy policy will be used as national direction in formulating mechanisms to reduce emission form deforestation and degradation through SFM initiatives . The ultimate beneficiaries will be :

1) **Communities** ; This project would directly and indirectly continue to prosper and bring about economic benefit for local communities. If the intiatives developed and healthy then the incentives mechanism supporting forest based climate change **to reduce emission from deforestation and forest degradation** will be beneficial for local communities in improving income source by planting trees. In the long term, the continuous supply of wood would benefit local industry in sustaibale way and creating jobs and improve welfare Local income generation from carbon market will encourage them to plant more trees in various land type in Indonesia. Through SFM, local communities will undertake activities which are geared towards the sustainable use of forest resources and improving awareness and technical skills of communities on SFM framework in reducing emission from deforestation and degradation.
2) **Ministry of Forestry**; which have the guidline for Strategy and policy of forest based climate change mitigation to reduce emission from and by tropical forest. It will use the information from the project by policy makers in formulating programe and action at various level on SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2
3) **Local Government**; which could help to formulate an appropriate policy on forest based climate change mitigation to reduce emission from and by tropical forest. It will gain lesson learned and knowledge from SFM initiatives on the ground in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2
(4) **Private sector, forest owner, forest association**; The achievement of project goals through improving private sector involvement in SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2. They will have the opportunity to get incentive from the ongoing SFM initiatives effort.

Indirect beneficiaries of this project, mainly from data and information prepared, will be:

a) ITTO related programmes and projects

   Through this project the ITTO related programs and projects could benefit from the data and information made available **on SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 in Indonesia**

b) Commercial Organizations

   Through this project, commercial organizations interested in carbon project /carbon market could easily and accurately get data and information.

c) International NGOs and other relevant agencies (universities etc)

Interested NGOs can use and obtain data and information of forest based climate change **to reduce emission from deforestation and forest degradation** from the project.

Expected outcome at project completion:

- Indonesia will have national strategy using SFM application as an important option to reduce emission from and by tropical forest. The strategy will be institutionalized and adopted by various levels to be the programme and action in reducing emission from deforestation and degradation.
- The interpretation of the strategy to become a programme action will make it possible to place economic value on carbon stock of Indonesia's tropical forest, which will help to create alternative and sustainable livelihood for many forest dependent low income families who currently survive on uncontrolled harvesting of forest and expansion of slash and burn agriculture.
- The multistakeholders process will stimulate a number provinces and districts to translate strategy into action and programme at sub national level.
- Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation will be in place and many parties in forestry sector will be encouraged and participate to implement SFM in maintaining and enhancing carbon stock.
- Key stakeholders/parties will get information and lesson learned to generate carbon credits from the implementation of SFM initiatives on the ground.
- Local government, communities and private sector will have opportunity to get incentives from the ongoing effort in implementing conservation and forest management in reducing emission from deforestation and degradation
- The experience of the project can be a useful lesson learned to other countries on the exercise of developing national strategy using SFM as an important option in reducing emission from deforestation and degradation through multi stakeholders processes.

Expected long term effect of the project intervention:

- Forest in Indonesia will be managed in sustainable way. Improved management through SFM principles will reduce emission from deforestation and degradation
- SFM efforts will maintain or increase forest carbon stock. Forest dependent communities' welfare will be improved through employment, technology, and incentives through SFM initiatives to reduce emission from deforestation and degradation and by increased national economy from forestry sector by taxes and revenues
- Those will lead to reduced level of Greenhouse-gas emissions resulted from Source of Non-energy emission (deforestation and degradation).

PART 2 PROJECT RATIONALE AND OBJECTIVES

2.1 Rationale

2.1.1 Institutional set-up and organizational issues

The Government of Indonesia has ratified the UN Framework Convention on Climate Change (UNFCCC) in 1994 and the Kyoto-Protocol in 2004. Responsible *Designated National Authority (DNA)* for UNFCCC is the Ministry of Environment. Moreover, the Ministry of Forestry has a large role to play as the manager of about 60% of the total land area of Indonesia. Other relevant Ministries are the Energy, Industry, and Agriculture. BAPPENAS has a co-ordinating function. Due to the fragmentation of responsibilities, the relevant organizations for the proposed project are as follows:

Indonesian National Council on Climate Change

In July 2008, an influential climate change council has been established by the Indonesian President to speed up efforts to combat global warming. The council will coordinate and monitor the implementation of the action plans to fight climate change and manage climate funds (incl. from REDD mechanism) to help Indonesia reduce greenhouse gas emissions. The council comprises six working groups of governmental officials to deal with issues of adaptation, mitigation, technology transfer, finance, **forestry** and post-Kyoto aims. The roles and responsibilities of the forestry working group will play an important role in establishing a favourable policy and regulatory framework for the Programme.

REDD commission

The proposed REDD Commission to supervise, monitor and evaluate REDD related activities is likely to be established in the near future. A ministerial decree (Permenhut) No 30 year 2009 regarding implementation of REDD activities in Indonesia was presented about this commission. The REDD Commission will be the clearing house for all REDD activities. It will review and recommend or reject REDD proposals; guide overall REDD implementation; issue REDD certificates; manage the national registry; and keep the reserve of REDD credits. Proposals will be submitted to the Commission, who will have a technical team to evaluate the proposal and make recommendations to the Minister for approval or rejection. The Commission will supervise the monitoring and reporting of emission reductions and the issuance of certificates.

Indonesian Forest Climate Alliance (temporary structure)

In preparation of the COP 13 conference in Bali, the Forest Research and Development Agency of the Ministry of Forestry, established the Indonesian Forest Climate Alliance (IFCA), as the focus for technical studies related to climate change and GHG emissions. IFCA brought together staff from Indonesia's Ministry of Forestry and more than 40 advisors from Indonesia and around the world to develop an analytical framework for REDD. The Alliance undertook a wide range of analysis of the situation in Indonesia prior to the COP 13 meeting in Bali.

REDD proponents/developers

According to the decree No 30 year 2009, proponents of REDD activities must have a legal long-term right or permit to use the forest area where the activities will take place. Once Forest Management Units have been established and confirmed as permanent, they will form the basis for establishing base-line conditions and monitoring reductions. Any "Traditional" (Adat) or Community forest or private forest that also has a clear title will also be eligible.

National Climate Change Working Group.

Since 2008, this working group was established based on Ministerial Decree SK.13/Menhut-II/2009 coordinated by Minsitry of Forestry. This working group has to provide inputs to the Minister of Forestry on the policies, strategies, programe and activities on climate change as well as manage data and information on Climate change in the Ministry through meetings at different level and electronic communication to gather inputs from stakeholders. But this working group still need financial and data/information support.

Forest Management Units/forest concessions/cooperatives

The REDD initiative is closely linked to the promotion of SFM, for which the programme to establish Forest Management Unit (KPHs) throughout Indonesia is a pre-requisite.

2.1.2 Stakeholder analysis

The formulation of this project proposal was conducted by a multi-stakeholder process.
It involved parties with different interest, access, and authority over a forest area:

- National Government as the holder of authority over forest area (Ministry of Forestry with their UPTs)
- District governments with their Forestry Offices (*Dinas Kehutanan*) which were empowered during the decentralisation process
- Local communities whose livelihoods depend on forests. They suffer most from forest destruction
- Private sector, particularly as forest concession right holder (Concession-HPH & industrial forest plantation-HTI), and possibly non-forest concession holder (oil palm plantation companies, coal mine companies),
- NGO, civil society and academia, who take interest in the issue of forest conservation and community development

Project initiator and formulator have carried out several focused discussions involving related stakeholders to analyse characteristic, interest, potentials and future involvement for successful project implementation. Table 1 shows the result of the analysis.

Tabel 1. Stakeholder Analysis

Stakeholder Group	Characteristics	Problems, needs, interests	Potentials	Involvement in the project
Primary Stakeholders				
Ministry of Forestry	Managing natural forests The holder of authority over forest area Key element in the conservation and forest management	High pressure on natural forest Limited understanding on the role of conservation and forest management in reducing carbon emission from tropical forest Limited capacities on promoting SFM as important option in REDD	Having resources/ institutional capacities, and technical information Having data and information related to the rate of deforestation and SFM activities. Having network to international forestry bodies/organization	• Project Executing agency • Involved in operational activities of the project, facilitate events related to the activities in developing national strategy, provide data and information needed by the project • Take a lead in dissemination of results of the project • Policy makers will create proper policy strategy in order to promote SFM as important option in REDD
Relevant National Department/Agency • **Ministry of Environment /Climate Change Council** • **Ministry of Home Affairs** • **National Planning Agency (Bappenas)** • **Ministry of Foreign Affairs** • **Ministry of Finance, Economy and Trade**	Coordinate and monitor climate change related activities in the sector Control, supervision and administration of local government Develop and supervise National Planning Strategy including CC Authority in foreign politics including Indonesian negotiator/delegation in international convention on CC Regulator/policy making related to economic and trade matters (REDD payment mechanism, payment distribution, carbon trade)	Limited understanding on the role of conservation and forest management in reducing carbon emission from tropical forest Limited capacities on promoting SFM as important option in REDD in national and international context	Having resources and network to facilitate in promoting SFM as important option in REDD International Focal point Having function in facilitating and coordinating with other sectors	• Involved in policy discussion and dialogue • Involved actively in project activities such as assessment and study analysis • Will disseminate the project result at national and regional level • Bappenas will distribute strategy and Action Programme to all sectors within Indonesia
Community/forest owner/manager	Higly dependent on natural forest . They live within & around the forest	• Lack of source of income • Lack of knowledge and skills and understand ding about REDDES	• They are close to the resource/access • They are practicing implementing SFM in the field • They have traditional knowledge and wisdom	• Primary project beneficiaries • Communities will be directly involved in the implementation of the project activities to achieve particularly output 2 and output 3. Attention will be given to participate in activities of training, public awareness improvement/ consultation and focus group discussion. • Local communities will get necessary information and capacity provided by the project as well as adequate economic incentives to manage forest sustainably
Secondary Stakeholders				
Local Government	- Locally based - They have	Limited coordination	- Have authority at district/provincial	• Involved in project activities mainly in

Stakeholder Group	Characteristics	Problems, needs, interests	Potentials	Involvement in the project
	resources - They have low enforcement problem	Lack of capacity	level - Can mobilize people in the community - They have network in provincial and district level	facilitating dialogue and discussion at provincial and district level , • Working together with Executing Agency in providing field data and information related to SFM initiatives and REDD
Private sectors	Implementing best forest practices in the field	Lack of communication	Providing investment for REDD activities	• Participated in dialogues and focus discussion cause as key actor in implementing SFM • Partner in implementing project activities and sharing data and information in implementing SFM in management unit
Forest Associations	Coordinate and facilitate all association member interest (forestry concessions)	Lack of knowledge	Experience working with private sectors	Partner as facilitator in field activities and study analysis
Tertiary Stakeholders				
NGO's	Actively involved in REDD activities	Lack of technical knowledge	Experience working with communities	• Project implementation partner/sub contract • As facilitator/ in improving awareness activities on SFM and REDD mainly for communities as a target group
Universities	Locally based Actively in REDD research activities Have education and research mission including on REDD	Lack of networking	Experience working on basic research and development	• Project implementation partner • Involved in developing assessment activities study analysis • As trainers and facilitator in project activities

2.1.3 Problem analysis

Forest play a central role in climate change, forest can increase resiliance, fix and maintain carbon. If CO2 concentration continue to increase to 550 ppm or higher, tropical forests will become highly vulnerable and risk to become an additional factor to increased GHG concentration in the atmosphere. That is why it is needed to increase resilence of forest trees and ecosystems and in the same time using forest as mitigation option. Sustaibility of forest resource is crucial for the continuation of national development. And sustainable management of forest resource is a form of mitigation and adaptation measure. That is why the National Strategy to reduce emission from deforestation and degradation should be assesed within the framework of sustainble forest management (SFM).

Currently there has been many initiatives under bilateral cooperation and also by private sectors to implement sfm practices in reducing emission from deforestation and degradation as found in Annex 5 and 6. However, up to now, baseline and measurement techniques for quantifying the contribution of SFM to enhance forest carbon stocks has as yet to be formulated and agreed upon by major stakeholders and thus it is hoped that the ITTO project could support tablishment of such a technique as mentioned above.

Examples from some SFM initiative appearing in Indonesia:

a. **At the national level, MoF has calculated forest cover through remote sensing that is updated every three years. The calculation of forest cover will become the basis that can be converted into carbon stock baseline in forest areas in Indonesia. Then it will be made into basic calculation for carbon stock baseline. Remote sensing results has been re-calculated with the help of South Dakota State University, USA.**
b. **Forest Resource Information System (FRIS) has been designed to support sustainable forest management . FRIS which was supported by Australia (Annex 6) will also help Indonesia in providing better quality data and information in transparent manner for regular forest resource assesment. The system is also designed to provide information that can be used to develop a Reference Emission**

Level (REL) for REDD as well as provide critical forestry inputs to the National Carbon Accounting System (NCAS).

c. **At field level, at present time Forestry cooperative (KPWN) and Unit of Forest Inventory (BPKH) in Jogjakarta calculating the carbon stock component in Community Forest area using IPCC Guide line. The Berau Forest Carbon Programme by TNC (The Nature Conservation) Indonesia in cooperation with Ministry of Forestry also established REL and MRV sytem at district level and will produce a baseline of estimated and anticipated emission under "business as usual" activity, study/analize of emission factor from logging operation, and development alternative approaches for REL development.**

The basis of this sfm initiative above will be used as reference in calculating carbon stock commensurate with Indonesian condition.

SFM is the managing of forest to achieve one or more clearly specified objectives of management with regard to the production of a continous flow of desired forest products and services (e.g carbon) without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment. Within the framework of SFM, increasing the forest area through afforestation and reforestation, restoring degraded forests, and substituting carbon-intensive materials with wood and fossil fuels with wood-based biofuels are also viable strategies for climate change mitigation. All such strategies can generate increased revenues and employment, thereby providing economic alternatives to forest conversion. Therefore, for REDD and SFM to succeed, their elements must be integrated into national development strategies and part of a holistic national land-use planning

Information on SFM initiatives in enhancing forest based carbon stock, carbon sequestration, and carbon storage in green products in order to reduce GHG CO2 emission has not reached the majority of key stakeholders/parties/decision-makers globally and particularly in Indonesia. The National Strategy using SFM as important option to reduce emission from and by tropical forest is not developed yet. Therefore it is necessary to develop strategy using SFM as an important option to reduce emission from and by tropical forest. It will make clear Indonesia's priorities on forest carbon investment for poverty alleviation, sustainability and governance in the forest sector and ensure that carbon projects complement SFM goals. The strategy is intended to assist the country in improving sustainable principles of management and contribute towards climate change mitigation through reduction of emission from deforestation and degradation and also through increased carbon sequestration.

Based on the consultation processes to determine the opinions and obtain inputs from representatives of various stakeholders during the development of this project proposala key problem which should be tackled by this project was initially defined as "using SFM as an important option to reduce emission from and by tropical forest a National Strategy is needed to be developed". Institutional and human resource capacity building, stakeholder coordination should be part of the design process of that strategy. It is recogniced by relevant stakeholders that in overall climate change issues, both adaptation and mitigation (REDD is only one among many mitigation measures), strong coordination among responsible government institutions and other relevant stakeholders at the national and sub national level is crucial to make SFM an important option in reducing emission from deforestation and forest degradation in tropical forest.

Project initiator and formulator have carried out several focused discussions involving related stakeholders to analyse characteristic, interest, potentials and future involvement for successful project implementation. To elaborate a clear and comprehensive problem analysis based on the key issue of REDD and SFM , a series of discussions and brainstorming sessions were held involving relevant stakeholders in Jakarta (May – August 2009). First, in preparation of project document, Senior Advisor of the Minister of Forestry on Environment and Director General of Forest Production has initiated to establish stakeholders consultation on 15 May 2009 in Jakarta to discuss the project idea and problem analysis on REDD and SFM. The meeting was attended by more than 20 participants from Ministry of Forestry, Private sectors, NGO's, Universities and Climate Change Councils. After drafting the project document, on 9 June 2009 in Jakarta , stakeholders consultations has been continued to improve the draft document. A total of 15 experts on REDD and forestry from Ministry of Forestry, private sector (PT Inhutani and PT SBKH), NGO's (Kehati, Clinton Foundation, TNC etc), University (Institute of Bogor Agriculture) have participated and contributed to the document. Meeting was chaired by Senior Advisor of the Minister on Environment. After that,

discussions and brainstorming was organized twice by small working groups in Ministry of Forestry to finalize the project document (12 and 19 June 2009). Each discussion was attended by project formulator, initiator of project proposal (MoF), private sector etc. On 14 August 2009, consultation was carried out with Clearing House of ITTO in Ministry of Forestry to present the final revision of the project document. Thus the proposal was elaborated after long process of consultations and to get consensus with relevant stakeholders (during May - August 2009).

It is concluded that there are three main causes of the key problems: (see Problem Tree) :

a) Information/data concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products not available

It is widely accepted that forest play an important role in global C budget , acting either as sink and source of C. Forests take part in transforming GHG CO2 emission into solid carbon (biomass) that stays in the forests as a C stock, additional C biomass as a sequestered CO2, and stock C biomass in green products. Wood is a renewable resource and, when obtained from sustainably managed forests, an efficient material for storing carbon. Although wood-harvesting temporarily reduces carbon storage in the forest, a large part of the harvested carbon can be stored in wood products, potentially for many decades. When wood is used in long-term products such as housing and furniture, the reduction in greenhouse gas emissions is substantial compared to other, more energy-intensive and carbon-intensive substitutes such as concrete, steel, aluminum and plastics.

Sustainably managed forests are a valuable, renewable and carbon-neutral source of biomass for energy. Compared to other renewable wood-based bioenergy plantations require relatively little capital or technological development and could be an efficient land use form on abandoned agricultural land and on soils too poor to produce annual crops.

SFM provides a flexible, robust, credible and well-tested framework for simultaneously reducing carbon emissions, sequestering carbon, and enhancing adaptation to climate change. At the same time it can help supply environmentally friendly forest products, protect biodiversity, secure freshwater supplies and provide other essential ecosystem services. Under SFM, harvested trees are replaced by others through regeneration, replanting or other silvicultural measures; Many forests have been managed in this way for centuries without measurable declines in condition or productivity. Carbon lost during harvesting is eventually restored through new growth. Managed unsustainably, however, forests can lose carbon stock and productivity. Forest plantations, which supply over 60% of industrial roundwood, are already important carbon sinks and pools and their role in climate change mitigation is likely to increase in importance. The analysis is needed to build and implement REDD scheme which is consistent with national policies and international commitments.

b) Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation is not assessed.

One of the most important requirements for sustainable resource management to succeed is availability of financial resources as well as provision of incentives and appropriate economic instrument that promote the resource. Positive incentives for reducing greenhouse gas emissions from deforestation and forest degradation[1] (REDD) may provide crucial impetus for implementing sustainable forest management[2] (SFM) and help stem the loss and degradation of forests and their ecosystem services. Efforts around the world to advance towards SFM provides a wealth of knowledge, experience, best practice guidance, tools, mechanisms and partnerships that can be applied to meeting climate change challenges, including REDD. Using SFM as an important framework, climate change issues can be addressed in an integrated way. However supporting infrastructure and mechanism to bring additional incentives in

[1] In the context of REDD, forest degradation constitutes a reduction in the carbon content of a forest or reduction in the capacity of the forest to sequester and store carbon.

[2] Sustainable forest management (also including protected area management) addresses social, environmental and economic aspects and benefits of forest management and related needs of stakeholders to leverage sustainable development. The concept embraces on-site management as well as policy and institutional aspects of forests and forestry.

implementing SFM as important option in reducing emission from deforestation and forest degradation are not assessed yet; Some analytical work is needed to better define strategy.

Institutional challenge on REDD issue for Indonesia is (1) to build human capacity and intitutions; (2) to support sustainable land use planning, carbon accounting and (3) community involvement programme. In this project, linkages between SFM and REDD in terms of institutional challenges for Indonesia will be accomodated in Output 2 which will be achieved through support activities as follow:

- **Improvement of regulation and policy**
- **Formulation of economic incentive framework for those practicing sfm**
- **Facilitating the process of formation of organization and/or institution working in accreditation and/or certification , assurance, monitoring of emission reduction**

c) Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 is not yet developed.

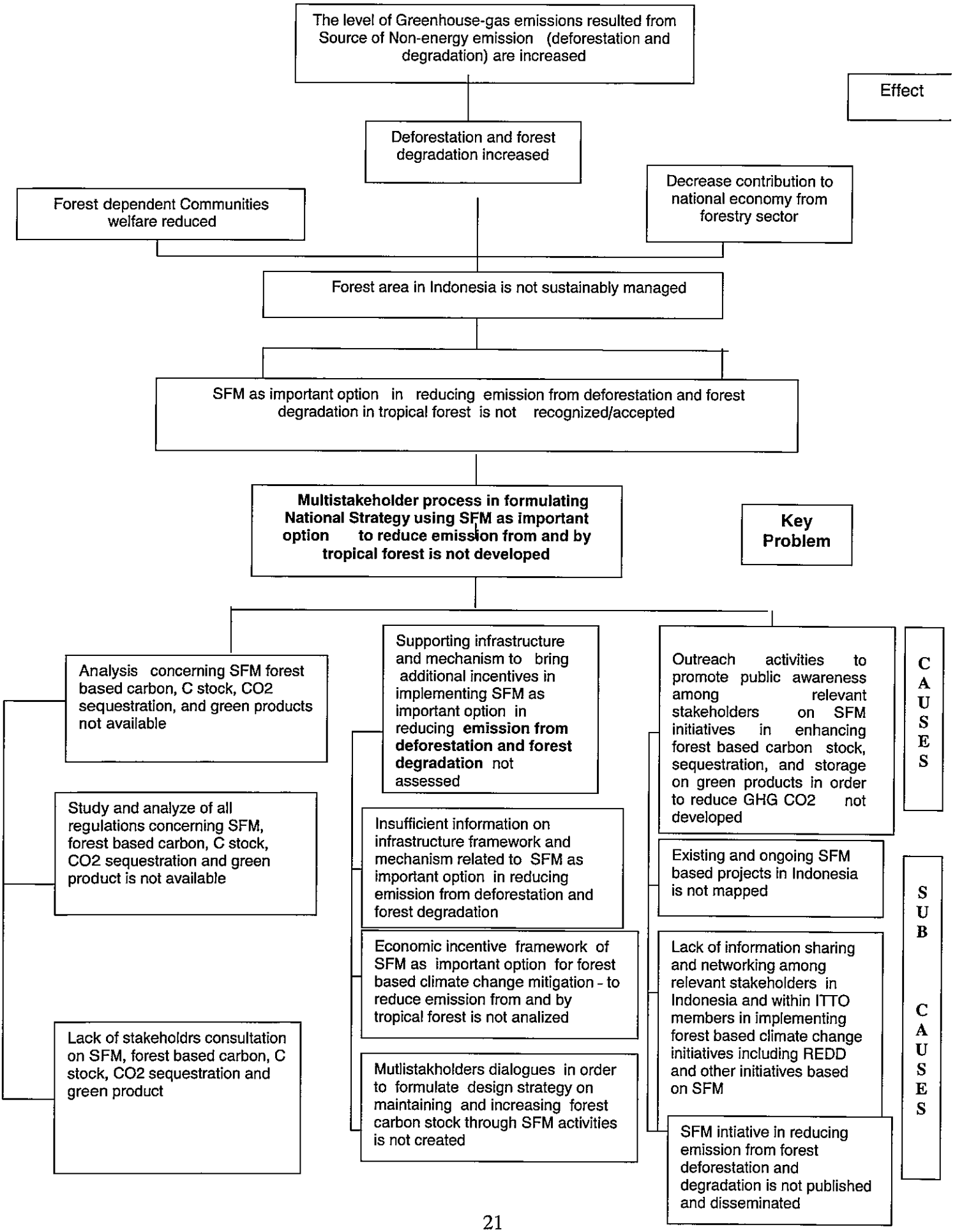
Limited coordination and networking among relevant stakeholders at all levels including international level in implementing forest based climate change initiatives (based on SFM) and other initiatives on the ground is the challenge faced in promoting SFM as important option in reducing emission from deforestation and degradation . Recently interest has grown in regulatory/voluntary market based initiatives derived from forest in Indonesia (see annex 4), but data and information of those projects need to be mapped and shared. Those will offer opportunities and different lesson learned to generate credits from other carbon offset projects based on SFM initiatives in Indonesia.

The initiatives in REDD in Indonesia was not only made by FCPF and UN-REDD, but it was done also by others as shown in Annex 6. These two key initiatives will encourage improvement in policy reform in REDD and SFM issues in Indonesia. The FCPF Cooperation Project aims to support REDDI readiness. They work in 3 component programme/activities such as :(1) Analytical work (2) Management of readiness process (synergy with activities supported by UNREDD) (3) Support Methodogy development (REL and MRV) synergy with related activities supported by Australia and UNREDD. The objective of UN REDD Cooperation Project UN-REDD (United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries in Indonesia is to support the GoI in attaining REDD-Readines. The project has three outcome as follow : (1) Strengthened multi-stakeholder participation and consensus at national level; (2) Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture (3) Capacity established to implement REDD at decentralized levels

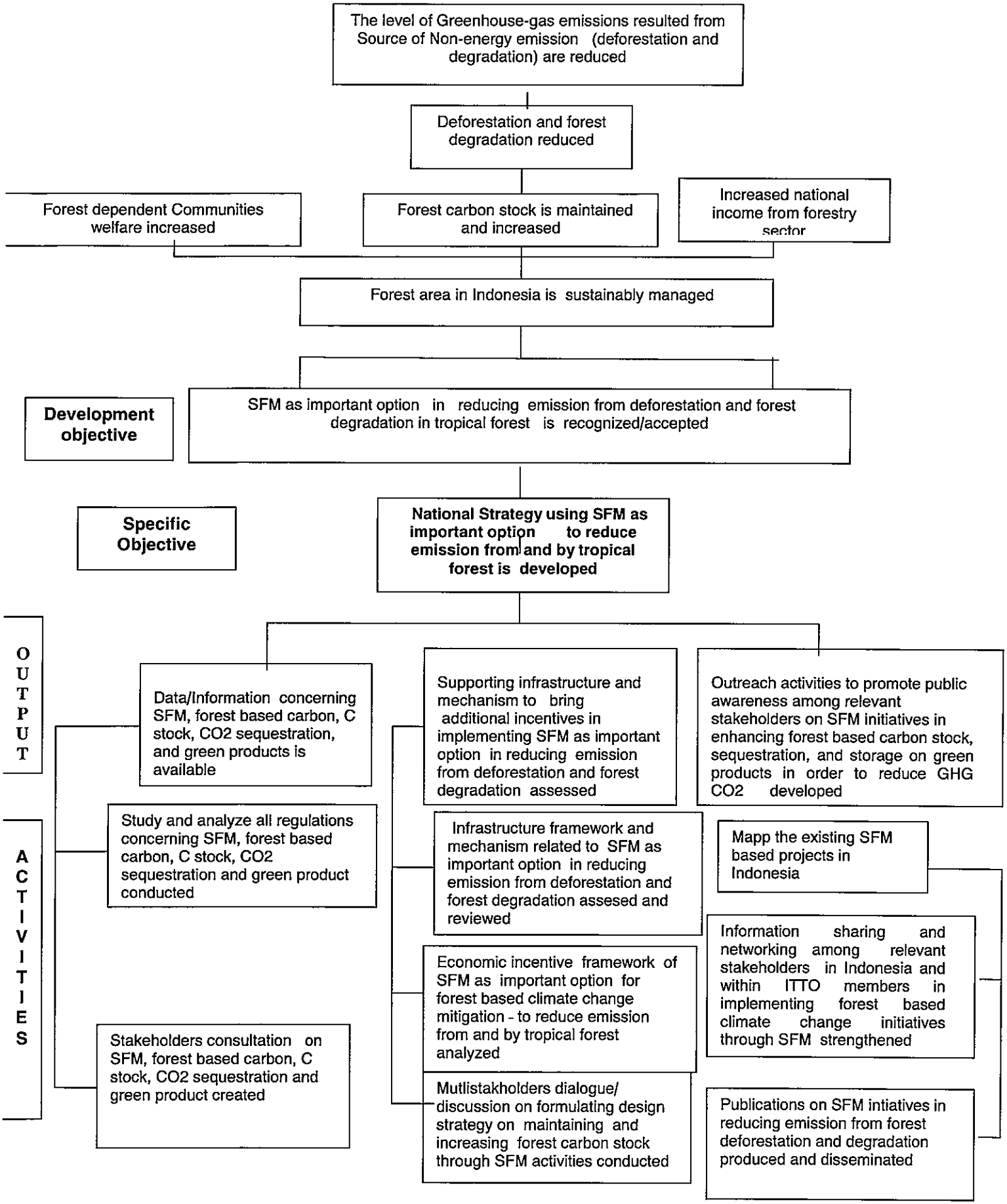
These two key initiatives will encourage improvement in policy reform in REDD and SFM issues in Indonesia.

Ministry of Forestry has extensive learning process on REDD concept outreach and communication prior to COP 13 Bali 2007. That extensive learning process should be used for communication and dissemination of SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2. Stakeholder's coordination/communication should be done at various levels through dialogue, awareness raising and training workshop.

PROBLEM TREE



OBJECTIVE TREE



1.4 Logical framework matrix

Strategy intervention	*Measurable Indicators*	*Mean of verification*	*Key Assumption*
Development Objective To promote the SFM as important option for forest based climate change mitigation to reduce emission from and by tropical forest	**Long impact indicators** - **By the end of the project SFM as important framework for forest based climate change mitigation - to reduce emission from and by tropical forest accepted at least 50% interested stakeholders (globally) and particularly in Indonesia** - **By 2012, Strategy to be programme action will place economic value on carbon stock of Indonesia's tropical forest has implemented and alternative and sustainable livelihood for many forest dependent communities (at least in forest production and community forest) have created** - **By 2012, 75 % of key stakeholders such as local government, communities and private sector have had opportunity to get incentives from their efforts in implementing conservation and forest management in reducing emission from deforestation and degradation**	Report on Strategic planning of National Forestry development ITTO project completion report	National and regional policy support SFM as framework for forest based climate change mitigation

Strategy intervention	*Measurable Indicators*	*Mean of verification*	*Key Assumption*
Specific objectives To develop national strategy in maintaining and increasing forest carbon stock through SFM application	**Outcome Indicators:** **By the end of the first year, data information concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is avaliable and conducted through at least 3 (three) series public consultations** - **By the end of the first year the multistakeholders processes through workshop and stakeholders communication participated by at least 50% key stakeholders in formulating national strategy to mantain and increase forest carbon stock through SFM application have conducted** - **By the end of the project, at least 60% of supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation have been in place** - **By the end of the second year data/information on SFM as important option in reducing**	Annual Forestry Report or Progress Report on SFM initiative in Indonesia Technical ,Report; field visit ; Consultant and training report ; documentation.	Indonesian policy-makers at various levels are committed to combat deforestation and forest degradation Strong support and commitment from various stakeholders/ITTO member countries Stakeholders, particularly at district level, are willing to cooperate On going forest administration reform will be implemented as planned

Strategy Intervention	*Measurable Indicators*	*Mean of verification*	*Key Assumption*
	emission from deforestation and degradation from 80 % SFM initiatives in Indonesia (private sector intitaives and multi-bilateral cooperation) is assesed and disseminated (among relevant parties/sectors in Indonesia and shared to at least 3 ITTO member countries		
Output 1. Data/information concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is available	**Output Indicator:** - **By the end of the year one package data/information as analysis result of concerning SFM, forest based carbon, C stock, CO2 sequestration and green product has been completed.** - **One focus discussion established and participated by at least 10 participants from various stakeholders.** - **By the end of second year at least 50 participants from 60% key stakeholders attended 3 (three) public consultations on SFM, forest based carbon, C stock, CO2 sequestration and green product**	Field visit; meeting report; consultant report; proceedings	Strong support from various stakeholders and they are willing to cooperate
Output 2. Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing	**Output Indicator:** - **By the end of the first year reviewed at least 60% supporting infrastructure framework and mechanism related to SFM as important option in reducing emission from deforestation and forest**	Filed visit; consultant report; Decree for Focus Discussion; meeting report; Draft of National Strategy	Indonesian policy makers at various levels are commmited to combat deforestation and

Strategy intervention	*Measurable Indicators*	*Mean of verification*	*Key Assumption*
emission from deforestation and forest degradation assessed	degradation has been complete - By the end of the first year data and information as study and analysis result of economic incentive framework of SFM as important option for forest based climate change mitigation – to reduce emission from and by tropical forest available and used by at least 50 % decion makers to improve forest policy reform in REDD and SFM issues in Indonesia. - By the second of year at least 4 focus discussions established to formulate draft/design strategy - By the end of second year the strategy on maintaining and increasing forest carbon stock through SFM activities is formulated and agreed by at least 60% key stakeholders		degradation Ongoing forest administration reform will be implemented as planned
Output 3 Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 developed	Output Indicator: - Data/information concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is avaliable and conducted through at least 3 (three) series public consultations - By the end of the first year the multistakeholders processes through workshop and stakeholders communication participated by at	Survey data; field visit; meeting reports; consultant report; documentations Technical report; proceedings; documentation	Strong support and commitment from various stakeholders/ITTO member countries Stakeholders, particularly at district level, are willing to cooperate

Strategy intervention	*Measurable Indicators*	*Mean of verification*	*Key Assumption*
	least 50% key stakeholders in formulating national strategy to mantain and increase forest carbon stock through SFM application have conducted - By the end of the project, at least 60% of supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation have been in place - By the end of the second year data/information on SFM as important option in reducing emission from deforestation and degradation from 80 % SFM initiatives in Indonesia (private sector intitaives and multi-bilateral cooperation) is assesed and disseminated (among relevant parties/sectors in Indonesia and shared to at least 3 ITTO member countries)	Study/consultant Report; Leaflet/brochure distributed List of training participants; proceedings	

2.2 Objectives

2.2.1 Development objective and impact indicators

To contribute to the promotion of SFM as important option to reduce emission from deforestation and forest degradation from tropical forest

Long Impact Indicator:

- **By the end of the project SFM as important framework for forest based climate change mitigation – to reduce emission from and by tropical forest accepted at least 50% interested stakeholders (globally) and particularly in Indonesia**

- **By 2012, Strategy to be programme action will place economic value on carbon stock of Indonesia's tropical forest has implemented and alternative and sustainable livelihood for many forest dependent communities (at least in forest production and community forest) have created**

- **By 2012, 75 % of key stakeholders such as local government, communities and private sector have had opportunity to get incentives from their efforts in implementing conservation and forest management in reducing emission from deforestation and degradation**

2.2.2 Specific objective and outcome indicators

To intiate multistakeholer process in developing National Strategy using SFM as important option to reduce emission from and by tropical forest

Outcome Indicators:

- **Data/information concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is avaliable and conducted through at least 3 (three) series public consultations**

- **By the end of the first year the multistakeholders processes through workshop and stakeholders communication participated by at least 50% key stakeholders in formulating national strategy to mantain and increase forest carbon stock through SFM application have conducted**

- **By the end of the project, at least 60% of supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation have been in place**

- **By the end of the second year data/information on SFM as important option in reducing emission from deforestation and degradation from 80 % SFM initiatives in Indonesia (private sector intitaives and multi-bilateral cooperation) is assesed and disseminated (among relevant parties/sectors in Indonesia and shared to at least 3 ITTO member countries)**

PART 3 DESCRIPTIONS OF PROJECT INTERVENTIONS

3.1 Outputs and activities
3.1.1 Outputs

Specific Objective 1 :

To intiate multistakeholer process in developing National Strategy using SFM as important option to reduce emission from and by tropical forest

Output 1.
information and data concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is avaiable

Indicator

- **By the end of the year one package data/information as analysis result of concerning SFM, forest based carbon, C stock, CO2 sequestration and green product has been completed.**
- **One focus discussion established and participated by at least 10 participant from various stakeholders**
- **By the end of second year at least 50 participants from 60% key stakeholders attended 3 (three) public consultations on SFM, forest based carbon, C stock, CO2 sequestration and green product**

Output 2.
Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing **emission from deforestation and forest degradation** is assessed

Indicator

- **By the end of the first year reviewed at least 60% supporting infrastructure framework and mechanism related to SFM as important option in reducing emission from deforestation and forest degradation has been complete**
- **By the end of the first year , data/information as study and analysis result of economic incentive framework of SFM as important option for forest based climate change mitigation – to reduce emission from and by tropical forest available and used by at least 50 % decion makers to improve forest policy reform in REDD and SFM issues in Indonesia.**
- **By the second of year at least 4 focus discussions established to formulate draft/design strategy**
- **By the end of second year the strategy on maintaining and increasing forest carbon stock through SFM activities is formulated and agreed by at least 60% key stakeholders**

Output 3.
Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 is developed

Indicator

- **By the end of the first year, 80% data of REDD and SFM based projects are assessed and mapped**
- **Local experience on carbon accounting system and lesson learned form the certified forest management unit has developed**
- **By the end of the project 4 National meetings were conducted in Jakarta and other cities**

- By the end of the project International meetings in Indonesia, at least attended by 4 consumers and 5 (five) producers countries
- By the end of the project at least 2 (two) international meetings were attended to promote Indonesian intiatives on SFM framework in reducing deforestation and degradation
- One Training workshop attended by 25 (twenty five) decion makers from relevant sectors on forest based climate change
- By the end of the project information related to SFM application in maintaining and increasing forest carbon stock is dissemintaed and published at least to 80 % key stakeholders

3.1.2 Activities

Output 1.

Data/Information concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is assesed

Activities :

a) Study and analyze all regulations concerning SFM, forest based carbon, C stock, CO2 sequestration and green product
b) Develop public consultation series on SFM, forest based carbon, C stock, CO2 sequestration and green product

Output 2.

Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation available

Activities :

a) Review infrastructure framework and mechanism related to SFM as important option in reducing emission from deforestation and forest degradation

b) Conduct study and analysis on economic incentive framework of SFM as important option for forest based climate change mitigation - to reduce emission from and by tropical forest
c) Conduct focus group discussions to get input/comment in formulating design strategy on maintaining and increasing forest carbon stock through SFM activities.

Output 3.

Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 is established.

Activities

a) Mapp and review existing SFM based projects in Indonesia

Sub activities :

- Collect and analyze data of REDD and SFM based projects in the field
- Develop Forest Carbon Standard and Carbon Accounting system for small scale plantations based on local experience
- Develop lesson learned form of certified forest management unit based on local exeperience

b) Strengthen information sharing and networking among relevant stakeholders in Indonesia and within ITTO members in implementing forest based climate change initiatives including REDD and other initiatives based on SFM

Sub activities :

a. Conduct National workshops in implementing forest based climate change initiatives in Jakarta and other cities (sites) in Indonesia

b. Conduct and participate in international meetings in implementing forest based climate change initiatives
c. Training workshops for decision makers in relevant sectors on forest based climate change

c) Produce and disseminate publications on SFM intiatives in reducing emission from forest deforestation and degradation

3.2 Implementation approaches and methods

The project will work collaboratively with relevant stakeholders mainly with private sectors which develop sfm initiatives. Using multistakeholders processes to develop National Strategy National Strategy using SFM as important option to reduce emission from and by tropical forest

The following step will be taken to achieve the objectives:

1) **Collect and analyze data on existing strategy policy and institutional framework for forest based climate change mitigation and adaptation to reduce emission from tropical forest in Indonesia**
2) **Develop study analysis of SFM initiatives and REDD scheme in Indonesia and involvement of private sectors in these activities. Findings, inputs and recommendations of study and assessments will be used for basis analysis and development of strategy.**
3) **Stakeholder communication/consultation /dialogue at national and sub-national (province and district) level to be carried out in various form e.g. workshop, awareness rising, and training. and participatory discussions with local communities, private sectors and other relevant stakeholders (Ministry of Environment, National Council of Climate Change, etc) in Indonesia in improving awareness regarding SFM as effective framework to reduce emission from and by tropical forest and working together with Team Work of Cilmate Change MoF.**
4) **Supporting infrastructure and mechanism in implementing SFM link to REDD which will taken by facilitate improvement of regulation and policy, formulation of economic incentive framework for those practicing sfm and facilitating the process of formation of organization and/or institution working in accreditation and/or certification, assurance, institution for monitoring for emission reduction.**
5) **Intiating multistakeholer processes in developing national strategy to maintain and increase forest carbon stock through SFM implementation. At present there are around 10-15 private sector SFM initiatives active on the ground to reduce emission from deforestation which are financed or seeking finance from the markets (see Annex 5).**
6) **Improving capacity of Decion Makers within Ministry of Forestry and other sectors such as Ministry of Environment, Ministry of Home Affairs, National Planning Agency, Ministry of Finance, Ministry of Foreign Affairs etc regarding issue SFM and REDD plus**
7) **Strengthen information sharing and networking within ITTO member countries to disseminate information on lesson learned from implementing forest based climate change initiatives including REDD and other initiatives based on SFM on the grounds in Indonesia through the international workshop and dialogue**

3.3 Work plan

Output / Activities	Responsibility	Year							
		1st Year				2nd Year			
		I	II	III	IV	I	II	III	IV
Output 1 Analysis concerning SFM, forest based carbon, C stock, CO2 sequestration, and green products is assesed	Ministry of Forestry, National expert/consultant, other relevant Ministries								
1.1 Study and analyze all regulations concerning SFM, forest based carbon, C stock, CO2 sequestration and green product	Ministry of Forestry national consultant/expert								
1.2 Develop public consultation series on SFM, forest based carbon, C stock, CO2 sequestration and green product	Ministry of Forestry and Indonesian National Council on Climate Change (DNPI)								
Output 2. Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing **emission from deforestation and forest degradation** is available	Ministry of Forestry National expert/consultant								
2.1 Review infrastructure framework and mechanism related to SFM as important option in reducing	MoF Consultant/national expert								

Output / Activities	Responsibility	Year							
		1st Year				2nd Year			
		I	II	III	IV	I	II	III	IV
emission from deforestation and forest degradation									
2.2 Conduct study and analysis on economic incentive framework of SFM as important option for forest based climate change mitigation - to reduce emission from and by tropical forest	MoF Consultant/national expert								
2.3 Conduct focus group discussions to get input/comment in formulating draft strategy on maintaining and increasing forest carbon stock through SFM activities.	MoF Consultant/national expert								
Output 3. Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage in green products in order to reduce GHG CO2 is established	MoF, DNPI, communities group, Private sector								
Activities : 3.1 Assess existing SFM based projects in Indonesia **Sub activities :**	Consultant /MoF								

Output / Activities	Responsibility	Year							
		1st Year				2nd Year			
		I	II	III	IV	I	II	III	IV
• Collect and analyze data of REDD and SFM based projects on the grounds • Develop Forest Carbon Standard and Carbon Accounting system for small scale plantations based on local experience • Develop lesson learned form of certified forest management unit									
3.2 Strengthen information sharing and networking among relevant stakeholders in Indonesia and within ITTO members in implementing forest based climate change initiatives including REDD and other initiatives based on SFM **Sub activities :** • Conduct national workshops in implementing forest based climate change initiatives in Jakarta and other cities (sites) in Indonesia • Conduct and participate in international meetings in implementing forest based climate change initiatives	Consultant/MoF								

Output / Activities	Responsibility	Year							
		1st Year				2nd Year			
		I	II	III	IV	I	II	III	IV
• Training workshop for decision makers in relevant sectors on forest based climate change									
4 Produce publications on SFM intiatives in reducing emission from forest deforestation and degradation	MoF								
PSC meeting	PMU								

3.4 Budget
3.4.1 Master budget schedule

MASTER BUDGET TABLE

in US Dollar

Outputs/ activities	Description	Budget Component	Quantity		Units	Unit Cost	Total Cost	ITTO		Executing Agency	
			1st Year	2nd Year				1st Year	2nd Year	1st Year	2nd Year
Output 1	Analysis concerning SFM forest based carbon, C stock, CO2 sequestration, and green products is assesed										
Activities 1.1.	Assess and analyze all regulation concerning of SFM forest based carbon, C stock, CO2 sequestration and green product										
	International Consultant (1 person, 1 month)	14	1			10,000	10,000	10,000			
	Consultant (2 person, 2 month)	13	4	-	person-month	2,000	8,000	8,000			
	14 days duty travel, 2 persons, 2 times										
	- Daily subsistence allowance	31.1	56		pax	80	4,480	4,480			
	- DSA International Consultant	31.2	30		pax	150	4,500	4,500			
	- Transportation International Consultant	32.3	1		pax	2,500	2,500	2,500			
	- Transportation	33.1	4		pax	250	1,000	1,000			
	- local transportation	33.2	56		pax	35	1,960	1,960			
	3 x meetings: 10 participants per meeting	61.1	30		participant	50	1,500	1,500			
	Collected Data	55	100		copy	15	1,500	1,500			

	Notebook Computer - minimum spec. TOSHIBA Portege M800-S334 - Core2 Duo T6400, 2GB DDR2, 250GB HDD, DVD±RW, NIC, WiFi, Bluetooth, Fingerprint, VGA Intel GMA 4500 313MB (shared), Camera, 13.3" WXGA, Win Vista Home Premium	44.1	2		unit	1,500	3,000	3,000			
	Printer - HP P1006 - A4, 600 x 600 dpi, 17 ppm, 1x 150 Tray, USB	44.2	1		unit	200	200	200			
	Scanner - CANON CanoScan LiDE 200 - Scanner Flatbed A4, 4800 x 4800 dpi, USB 2.0	44.3	1		unit	150	150	150			
	Production and copying document	52	1		pax	1,500	1,500	1,500			
	Sub Total							**40,290**	-		
Activities 1.2.	Develop public consultation series on SFM forest based carbon, C stock, CO2 Sequestration and green product										
	Workshop;(2 times 50 persons)	61.2									
	Daily subsistance Allowance			30	participant	80	2,400	-	2,400		
	facilitator			4	person	500	2,000	-	2,000	-	-
	Resource Person			2	participant	250	500	-	500		-
	Transportation (land)			70	participant	35	2,450	-	2,450		
	Transportation (airline)			30	participant	250	7,500	-	7,500		
	seminar kit			100	package	25	2,500	-	2,500		
	Meals and Renting room			100	package	15	1,500	-	1,500		
	Sub Total							-	**18,850**		

Output 2	Supported Infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing **emission from deforestation and forest degradation** available										
Activities 2.1.	Asses infrastructure framework and mechanism related to SFM as important option in reducing emision										
	Consultant (1 person, 2 month)	13	2	-	person-month	2,000	4,000	4,000			
	7 days duty travel, 2 persons, 2 times										
	- Daily subsistence allowance	31.1	28		pax	80	2,240	2,240			
	- Transportation	33.1	4		pax	250	1,000	1,000			
	- local transportation	33.2	28		pax	35	980	980			
	2 x meetings: 10 participants per meeting	61.1	20		participant	50	1,000	1,000			
	Workshop; 50 persons	61.2									
	Daily subsistance Allowance		15		participant	80	1,200	1,200			
	facilitator		2		person	500	1,000	1,000		-	
	Resource Person		4		participant	250	1,000	1,000		-	
	Transportation (land)		35		participant	35	1,225	1,225			
	Transportation (airline)		15		participant	250	3,750	3,750			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting room		50		pax	20	1,000	1,000			
	Data Publication	67	100		pax	15	1,500	1,500			
	Sub Total							**21,145**	-		

Activities 2.2.	Conduct study and analysis on economic incentive framework of SFM as important option for forest based climate change mitigation to reduce emission from and by tropical forest										
	Consultant (1 person, 3 month)	13	4	-	person-month	2,000	8,000	8,000			
	7 days duty travel, 2 persons, 2 times										
	- Daily subsistence allowance	31.1	15		pax	80	1,200	1,200			
	- Transportation	33.1	4		pax	250	1,000	1,000			
	- local transportation	33.2	28		pax	35	980	980			
	2 x meetings: 10 participants per meeting	61.1	20		participant	50	1,000	1,000			
	Workshop; 50 persons	61.2									
	Daily subsistance Allowance		50		participant	80	4,000	4,000			
	facilitator		2		person	500	1,000	1,000		-	
	Resource Person		1		participant	250	250	250		-	
	Transportation (land)		35		participant	35	1,225	1,225			
	Transportation (airline)		15		participant	250	3,750	3,750			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting Room		40		pax	25	1,000	1,000			
	Data Publication	67	100		pax	15	1,500	1,500			
	Sub Total							**26,155**	-		
Activities 2.3.	Conduct focus group discussions to get input/comment in formulating draft strategy on maintaining and increasing forest carbon stock through SFM activities.					-					
	Meeting; (5 times 25 persons)	61.1									
	Daily subsistance Allowance		-	25	participant	80	2,000	-	2,000		

	facilitator		-	5	person	500	2,500	-	5,000		-
	Resource Person		-	5	participant	250	1,250	-	1,250		-
	Transportation (land)		-	100	participant	35	3,500	-	3,500		
	Transportation (airline)		-	25	participant	250	6,250	-	6,250		
	seminar kit		-	125	pax	25	3,125	-	3,125		
	Meals and Renting Room			125	pax	25	3,125		3,125		
	Data Publication	67	-	250	pax	15	3,750	-	3,750		
	Office Suplies (paper, Ink, flashdisk, CD, etc)	52		1	pax	2,000	2,000	-	2,000		
	Sub Total							-	**30,000**		
Output 3	Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and storage on green products in order to reduce GHG CO2 established										
Activities 3.1	Mapp the existing SFM based projects in Indonesia										
Activities 3.1.1	Collect and analyze data of REDD and SFM based projects on the grounds										
	Consultant (1 person, 3 month)	13	3	-	person-month	2,000	6,000	6,000			
	7 days duty travel, 2 persons, 2 times										
	- Daily subsistence allowance	31.1	28		pax	80	2,240	2,240			
	- Transportation	33.1	4		pax	250	1,000	1,000			
	- local transportation	33.2	28		pax	35	980	980			
	2 x meetings: 10 participants per meeting	61.1	20		participant	50	1,000	1,000			
	Workshop; 50 persons	61.2									
	Daily subsistance Allowance		15		participant	80	1,200	1,200			

	facilitator		2		persoon	500	1,000	1,000		-	
	Resource Person		1		participant	250	250	250		-	
	Transportation (land)		35		participant	35	1,225	1,225			
	Transportation (airline)		15		participant	250	3,750	3,750			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting Room		50		pax	25	1,250	1,250			
	Data Publication	67	100		pax	15	1,500	1,500			
	Sub Total							**22,645**			
Activities 3.1.2	Develop Forest Carbon Accounting system for small scale plantation based on local experience										
	Consultant (1 person, 3 month)	13	3	-	person-month	2,000	6,000	6,000			
	7 days duty travel, 2 persons, 2 times										
	- Daily subsistence allowance	31.1	28		pax	80	2,240	2,240			
	- Transportation	33.1	4		pax	250	1,000	1,000			
	- local transportation	33.2	28		pax	35	980	980			
	2 x meetings: 10 participants per meeting	61.1	20		participant	50	1,000	1,000			
	Sub Total							**11,220**			
Activities 3.1.3	Develop lesson learn form the of certified forest management unit										
	Workshop; 50 persons	61.2									
	Daily subsistance Allowance		15		participant	80	1,200	1,200			
	facilitator		2		person	500	1,000	1,000		-	
	Resource Person		1		participant	250	250	250		-	
	Transportation (land)		35		participant	35	1,225	1,225			

	Transportation (airline)		15		participant	250	3,750	3,750			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting Room		50		pax	25	1,250	1,250			
	Data Publication	67	100		pax	15	1,500	1,500			
	Sub Total							**11,425**			
Activities 3.2.	Strengthen information sharing and networking among relevant stakeholders in Indonesia and within ITTO members in implementing forest based climate change initiatives including REDD and other initiatives based on SFM										
Activities 3.2.1	Conduct National workshops in implementing forest based climate change initiatives in Jakarta and other cities (sites) in Indonesia										
	one day Workshop; 50 persons, jakarta	61.2									
	Daily subsistance Allowance		15		participant	80	1,200	1,200			
	facilitator		2		person	500	1,000	1,000		-	
	Resource Person		1		participant	250	250	250		-	
	Transportation (land)		35		participant	35	1,225	1,225			
	Transportation (airline)		15		participant	250	3,750	3,750			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting Room		100		pax	25	2,500	2,500			
	Data Publication	67	100		pax	15	1,500	1,500			
	2 days Workshop; 50 persons, outside jakarta	61.2									
	Daily subsistance Allowance		20		participant	80	1,600	1,600			
	facilitator		2		person	500	1,000	1,000	-	-	
	Resource Person				participant	250					

			2				500	500	-	-	
	Transportation (land)		40		participant	35	1,400	1,400			
	Transportation (airline)		20		participant	250	5,000	5,000			
	seminar kit		50		pax	25	1,250	1,250			
	Meals and Renting Room		100		pax	25	2,500	2,500			
	Data Publication	67	100		pax	15	1,500	1,500			
	Sub Total							**27,425**			
Activities 3.2.2	Conduct and participate in International meeting in implementing forest based climate change initiatives										
	(1 days, 4 overseas, 21 in-country)	61.3									
	facilitator			3	person	500	1,500		1,500		-
	Resource Person			1	person	250	250		250		-
	- Daily subsistence allowance			15	pax	80	1,200		1,200		-
	- DSA International Consultant			8	pax	100	800		800		
	- Transportation (airplane overseas)			8	pax	1,000	8,000		8,000		
	- Transportation (airplane incountry)			15	pax	250	3,750		3,750		
	- local transportation			25	pax	35	875		875		
	- Document Material			50	pax	15	750		750		
	- Personal/Participant Training Kit			50	pax	15	750		750		
	Sub-contract	21		50	pax	75	3,750		3,750		
	Indonesia Delegation's to ITTC Meeting	64	3	3	person	1,500	9,000	4,500	4,500		
	Sub Total							**4,500**	**26,125**		
Activities 3.2.3	Training workshop for decion makers relevant sectors on forest based climate change										

	2 days, 25 persons	61.2									
	Facilitatior			2	person	500	1,000		1,000		-
	Resources person			8	person	500	4,000		4,000		-
	Daily Subsistance Allowance			100	person	80	8,000		8,000		
	- Transportation (airplane)			10	pax	250	2,500		2,500		
	- local transportation			15	pax	35	525		525		
	- Document Material			25	pax	15	375		375		
	- Personal/Particlpant Training Kit			25	pax	15	375		375		
	Meals and Renting Room			100	pax	25	2,500		2,500		
	Sub Total								**19,275**		
Activities 3.3.	Produce publications SFM intiative in reducing emission from forest deforestation and degradation										
	Design and printing (Leaflet / brocure)			-		-	-		-		
	lay out and design	68		4	pax	250	1,000		1,000		
	printing and production	68		1,000	pcs	12.50	12,500		12,500		
	circulation	68		2	pax	1,000	2,000		2,000		
	Sub Total								**15,500**		
	establish the coordination of the project and increase operational capacity of the executing agency's										
	REDD Expert	11.2	2	2	year	1,500	6,000			3,000	3,000
	Forestry Policy Expert	11.3	2	2	year	1,500	6,000			3,000	3,000
	Duty Travel	31.1	2	2	year	5,000	20,000			10,000	10,000
	Notebook	44.1	3		unit	1,500	4,500			4,500	-

	Personal computer	44.4	5		unit	1,000	5,000			5,000	-
	Printer	44.2	1	0	Unit	190	190			190	-
	Office service in main city	41	1	1	year	10,000	20,000			10,000	10,000
	Office supplies	54	1	1	year	2,500	18,000	-	-	2,500	2,500
	-Paper	54.1						2,000	2,000		
	- ink / cartridge	54.2						1,000	1,000		
	- flashdisk	54.3						500	500		
	Utilities	53									
	-Internet	53.1						1,500	1,500		
	-communication (Phone)	53.2						1,500	1,500		
	Miscl.	60	1	1	year	2,000	4,000			2,000	2,000
	Project preparation/reproduction	62	1		pax	5,000	5,000	5,000			
	Steering Committee Meeting (3 times)	63	1	2	year	1,500	4,500	1,500	3,000		
	Annual Audit	65	1	1	year	2,000	4,000	2,000	2,000		
	Project Coordinator	11.1					48,000	24,000	24,000		
	Finance and Administration	11.5					14,400	7,200	7,200		
	Secretary	11.6					12,000	6,000	6,000		
	SFM Expert	11.4					39,000	12,000	12,000	7,500	7,500
	Translation	66					2,500	1,250	1,250		
	Sub Total							**65,450**	**61,950**		
	TOTAL							**230,255**	**171,700**		

CONSOLIDATION BUDGET

in US Dollar

Category	Description	Total	1st year	2nd year
10	**Personnel**			
11.1.	Project Coordinator	48,000.00	24,000.00	24,000.00
11.2	REDD Expert	6,000.00	3,000.00	3,000.00
11.3	Forest Forestry Expert	6,000.00	3,000.00	3,000.00
11.4	SFM Expert	39,000.00	19,500.00	19,500.00
11.5	Secretary	12,000.00	6,000.00	6,000.00
11.6	Finance and Administration	14,400.00	7,200.00	7,200.00
13	National Expert/Consultant	32,000.00	32,000.00	-
14	International Expert/Consultant	10,000.00	10,000.00	-
	Sub-Total	**167,400.00**	**104,700.00**	**62,700.00**
20	**Sub-Contracts**			
21	a. sub-contract with. A	3,750.00	-	3,750.00
22	b. sub-contract	-	-	-
	Sub-Total	**3,750.00**	-	**3,750.00**
30	**Duty Travel**			
31.1	Daily subsistence allowance	17,400.00	14,900.00	2,500.00
31.2	DSA International Expert/Consultant	4,500.00	4,500.00	-
32	International Travel			
32.2	- National Expert / Consultant	-	-	-
32.3	- International Expert/Consultant	2,500.00	2,500.00	
33	National Travel			
33.1.	- Domestic Travel	18,000.00	11,500.00	6,500.00
33.2.	- Local Travel	7,880.00	6,880.00	1,000.00
	Sub-Total	**50,280.00**	**40,280.00**	**10,000.00**
40	**Capital Items**			
41	Office Service in main city	20,000.00	10,000.00	10,000.00
44	Capital Equipments			
44.1	- Notebook computer	7,500.00	7,500.00	
44.2	- Printer	390.00	390.00	
44.3	- Scanner	150.00	150.00	
44.4	- Personal Computer	5,000.00	5,000.00	
	Sub-Total	**33,040.00**	**23,040.00**	**10,000.00**
50	**Consumable Items**			
52	Production and copying document	3,500.00	1,500.00	2,000.00
53	Utilities	-	-	

				-
53.1	- Internet	3,000.00	1,500.00	1,500.00
53.2	- Communication (phone)	3,000.00	1,500.00	1,500.00
54	Office supplies	5,000.00	2,500.00	2,500.00
54.1	- Paper	4,000.00	2,000.00	2,000.00
54.2	- Ink / cartridge	2,000.00	1,000.00	1,000.00
54.3	- flasdisk	1,000.00	500.00	500.00
55	collected data	1,500.00	1,500.00	-
	Sub-Total	**23,000.00**	**12,000.00**	**11,000.00**
60	**Miscellaneous**			
61.1	Meeting package	29,750.00	5,500.00	24,250.00
61.2	National Workshop Package	106,800.00	68,675.00	38,125.00
61.3	International Workshop Package	17,875.00	-	17,875.00
62	Project Preparation/Reproduction	5,000.00	5,000.00	-
63	Steering Committee Meeting	4,500.00	1,500.00	3,000.00
64	Indonesia delegation to ITTC meeting	9,000.00	4,500.00	4,500.00
65	Annual Audit	4,000.00	2,000.00	2,000.00
66	Translation	2,500.00	1,250.00	1,250.00
67	Data Publication	11,250.00	7,500.00	3,750.00
68	Design Printing and Circulation	15,500.00	-	15,500.00
69	Miscellaneous	4,000.00	2,000.00	2,000.00
	Sub-Total	**210,175.00**	**97,925.00**	**112,250.00**
70	**National Management Cost**	6,855.20		
	Total (10 - 70)	**494,500.20**	**277,945.00**	**209,700.00**
80	**Project Monitoring and Administration**			
81	ITTO monitoring & review	12,000.00		
85	ITTO programme support (8%)	33,116.40		
100	**GRAND TOTAL**	**539,616.60**		

ITTO Yearly Budget

in US Dollar

Category	Description	Total	1st year	2nd year
10	**Personnel**			
11.1.	Project Coordinator	48,000.00	24,000.00	24,000.00
11.4	SFM Expert	24,000.00	12,000.00	12,000.00
11.5	Secretary	12,000.00	6,000.00	6,000.00
11.6	Finance and Administration	14,400.00	7,200.00	7,200.00
13	National Expert/Consultant	32,000.00	32,000.00	-
14	International Expert/Consultant	10,000.00	10,000.00	-
	Sub-Total	**140,400.00**	**91,200.00**	**49,200.00**
20	**Sub-Contracts**			
21	a. sub-contract with. A	3,750.00	-	3,750.00
22	b. sub-contract	-	-	-
	Sub-Total	**3,750.00**	**-**	**3,750.00**
30	**Duty Travel**			
31.1	Daily subsistence allowance	12,400.00	12,400.00	-
31.2	DSA International Expert/Consultant	4,500.00	4,500.00	-
32	International Travel			
32.2	- National Expert / Consultant	-	-	-
32.3	- International Expert/Consultant	2,500.00	2,500.00	
33	National Travel			
33.1.	- Domestic Travel	5,000.00	5,000.00	-
33.2.	- Local Travel	5,880.00	5,880.00	-
	Sub-Total	**30,280.00**	**30,280.00**	**-**
40	**Capital Items**			
44	Capital Equipments			
44.1	- Notebook computer	3,000.00	3,000.00	
44.2	- Printer	200.00	200.00	
44.3	- Scanner	150.00	150.00	
	Sub-Total	**3,350.00**	**3,350.00**	**-**
50	**Consumable Items**			
52	Production and copying document	3,500.00	1,500.00	2,000.00
53	Utilities	-	-	-
53.1	- Internet	3,000.00	1,500.00	1,500.00
53.2	- Communication (phone)	3,000.00	1,500.00	1,500.00
54	Office supplies	-	-	-
54.1	- Paper	4,000.00	2,000.00	2,000.00

54.2	- ink / cartridge	2,000.00	1,000.00	1,000.00
54.3	- flash disk	1,000.00	500.00	500.00
55	collected data	1,500.00	1,500.00	-
	Sub-Total	**18,000.00**	**9,500.00**	**8,500.00**
60	**Miscellaneous**			
61.1	Meeting package	29,750.00	5,500.00	24,250.00
61.2	National Workshop Package	106,800.00	68,675.00	38,125.00
61.3	International Workshop Package	17,875.00	-	17,875.00
62	Project Preparation/Reproduction	5,000.00	5,000.00	-
63	Steering Committee Meeting	4,500.00	1,500.00	3,000.00
64	Indonesia delegation to ITTC meeting	9,000.00	4,500.00	4,500.00
65	Annual Audit	4,000.00	2,000.00	2,000.00
66	Translation	2,500.00	1,250.00	1,250.00
67	Data Publication	11,250.00	7,500.00	3,750.00
68	Design Printing and Circulation	15,500.00	-	15,500.00
	Sub-Total	**206,175.00**	**95,925.00**	**110,250.00**
70	**National Management Cost**	-		
	Total (10 - 70)	**401,955.00**	**230,255.00**	**171,700.00**
80	**Project Monitoring and Administration**			
81	ITTO monitoring & review	12,000.00		
85	ITTO programme support (8%)	33,116.40		
100	**GRAND TOTAL**	**447,071.40**		

Executing Agency Yearly Budget Table

in US Dollar

Category	Description	Total	1st year	2nd year
10	**Personnel**			
11.2	REDD Expert	6,000.00	3,000.00	3,000.00
11.3	Forest Policy Expert	6,000.00	3,000.00	3,000.00
11.4	SFM Specialist	15,000.00	7,500.00	7,500.00
	Sub-Total	**27,000.00**	**13,500.00**	**13,500.00**
30	**Duty Travel**			
31	Duty Travel			
31.1	DSA	5,000.00	2,500.00	2,500.00
33.1	Domestic travel	13,000.00	6,500.00	6,500.00
33.2	Local Transport	2,000.00	1,000.00	1,000.00
	Sub-Total	**20,000.00**	**10,000.00**	**10,000.00**
40	**Capital Items**			
44.1	Notebook Computer	4,500.00	4,500.00	
44.4	Personal Computer	5,000.00	5,000.00	
44.2	Printer	190.00	190.00	
41	Office Services in main city	20,000.00	10,000.00	10,000.00
	Sub-Total	**29,690.00**	**19,690.00**	**10,000.00**
50	**Consumable Items**			
54	Office supplies	5,000.00	2,500.00	2,500.00
	Sub-Total	**5,000.00**	**2,500.00**	**2,500.00**
60	**Miscellaneous**			
69	Miscelaneous	4,000.00	2,000.00	2,000.00
	Sub-Total	**4,000.00**	**2,000.00**	**2,000.00**
	SUB TOTAL ALL CATEGORIES	**85,690.00**	**47,690.00**	**38,000.00**
70	**MANAGEMENT COST (8%)**	**6,855.20**		
100	**GRAND TOTAL**	**92,545.20**		

3.5 Assumptions, risks, sustainability
3.5.1 Assumptions and risks

The project deals mostly with decision makers and institutional strengthening which should receive full commitment from related stakeholders from both national and provincial/district levels. The key assumptions are: all relevant stakeholders committed to support SFM as important option in reducing deforestation and degradation and particullarly stakeholders at district level, are willing to cooperate . Ongoing forest administration reform is implemented as planned. National and regional policy support for SFM as an important framework for forest based climate change mitigation is cosistent.

The implementation of REDD activities will involve parties with different interests, access and authority over forest areas. The involvement of government is of a varied and hierarchical nature, depending on the status and type of forest area. The potential risk in the process of formulating policy and strategy may emerge from the conflict of interest between key stakeholders who has authority in managing forest area. The source of conflict may result from:

a. Different level of authority. The governmental authority over a forest area varies according to the forest function. In a conservation area, central government has full control, in this case Ministry of Forestry through their Technical Implementation Unit (UPT). In a protected area, the authority remains with the central government, but the district government is involved in the management. While in a production forest, the full authority resides with the central government. The role of district government is limited to providing recommendation on the utilization and management of the forest. Provincial government merely assumes the role of control and supervision, since the start of regional autonomy era. For non forest land, the district government under the Ministry of Home Affairs has the responsibility. Local communities living in and surrounding the forest also can be classified into two main categories. First indigenous people who have been living for generations in the forest. Second, migrant who either came voluntarily to the area or in the context of the Governments transmigration programme. Both groups should thus get different treatment and support from the government and other relevant parties due to their different adaptability towards changes and dynamics.
b. Changes in political leadership at various level
c. Limited environmental awareness and capacity of administrations and other stakeholders

To minimize the potential risk, several approaches will be taken:

1.	Risk:	The different level of role and authority
	Mitigation:	• Improve dialogue and communication between key target groups mainly local government authorities, local community, private sector regarding share of decision making authority and revenue they can expect from REDD and equity of benefit • Building synergy among many institutions and organizations (national and sub national) working on REDD and the fact that REDD is only one among a number of mitigation measures, the communication and dialogue will be carried out with other land based sectors especially with Agency of Development Plannning (BAPPENAS) who is repsonsible in coordinating all sector development planning in order to achieve national development objectives. • Strengthen working with National Council on Climate Change to establish high level coordination on climate change issues especially on the cross sectoral issues.

2.	Risk:	Changes in political leadership at various level (National, Province and District level)
	Mitigation:	Support Indonesian policy makers at various level to improve commitment/ willingness to reduce emission from deforestation and degradadation through SFM application to ensure the success of this project
3.	Risk:	Limited environmental awareness and capacity of administration and other stakeholders
	Mitigation:	• Communication at national and sub national level(province and district) will be carried out in various forms such as workshops, awarenes raising, training and focus group discusssions • Improving capacities in order to make common understanding that SFM is an important option in reducing emission from deforestation and degradation.

3.5.2 Sustainability

To ensure the sustainability of the strategy initiated by this project, several approach will be taken :

- Ministry of Forestry will monitor and ensure that strategy is institutionalized and adopted by various levels at national and sub national level (province and district)
- Maintain dissemination of the national strategy to provincial and district level to be adopted in their strategic plans.
- Maintain that SFM will be an integral part of any policy approach to forest-based climate change mitigation and ensure that climate change mitigation is integrated into national SFM strategies
- Ensure that key stakeholders such as forest dependent communities, private sectors etc are involved in implementation of the strategy (programme and action) and accomodate their needs in the policy framework related to reducing emission from deforestation and degradation
- Improved data and information on REDD and SFM based projects on the grounds to be well collected and mapped. By collecting all data on SFM initiatives as a importanf option in maintaining and increasing forest carbon stock could be monitored , quantified and verified. Executing Agency also will continue to maintain active communication and coordination with relevant stakeholders in implementation of this strategy
- Executing Agency will maintain management and utilization of project property and purchased equipments.

PART 4 IMPLEMENTATION ARRANGEMENTS

4.1 Organization structure and stakeholder involvement mechanisms

4.1.1 Executing Agency and Partners

The Executing Agency of the project will be the Forestry Directorate of Plannning Development for Forest Utilization, Directorate General of Forest Production and Development MoF which will assume overall responsibility for coordination and implementation of activities. It will be responsible for managing the implementation of the activities and the ITTO fund . The executing and implementing agency will be involved in the project from preparation until completion of the project.

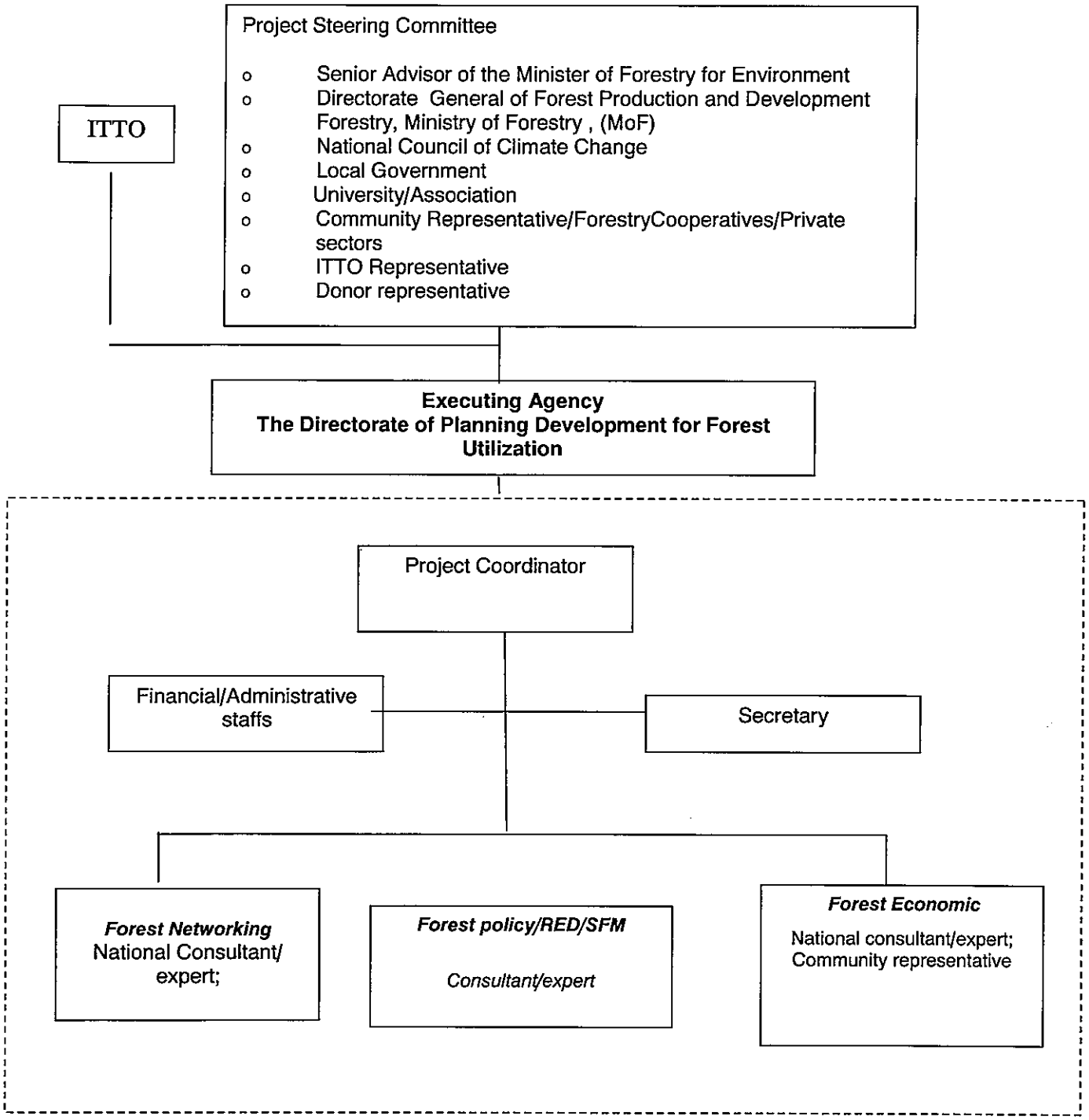
Implementing Agency will work together with forestry service at district level , communities group, local NGO, university or other relevant institutions to implement some activities in the field. If necessary, the other activities will be implemented through sub-contracts with local NGOs and consultancies for efficiency.

4.1.2 Project management team

Professional coordinator will be assigned for the project coordinator who will be overall in charge of project implementation. The project coordinator will report to the Implementing and Executing Agency as well as to ITTO in consultation with the Steering Committee. The project coordinator should be a qualified and acceptable senior forester who has the responsibility for the planning of the day to day project activities and project management

The management structure of the project is presented in the following diagram :

Organization structure of Project Management Unit



4.1.3 Project steering committee

The Project Steering Committee (PSC) consists of policy makers, academics, communities representatives appointed by the Minister of Forestry. The duties of PSC are: (a) approve program and budgets of the various activities within the framework of the project approved by ITTO (b) conduct annual reviews and evaluation of the project implementation (c) approve progress report before submission to ITTO and GOI. The PSC will be chaired by the Senior Director General of Forest Production Development, MoF.

4.1.4 Stakeholder involvement mechanisms

Detailed arrangement of key stakeholders in this project is set out as follows:

The role of Directorate of **Directorate of Planning Development for Forest Utilization** are :

- Maintain coordination among relevant parties in implementing project objective and activities
- Coordinate and consult with ITTO upon project development
- Execution of project activities in close cooperation with Executing and relevant Agency
- Manage project fund based on project proposal and approval by ITTO and project agreement in accordance with ITTO guidelines and procedures as well as prevailed government regulations
- Provision of counter budget of GOI to support project activities together with EA included appointment of personnel to work in the project
- Prepare and submit project report to ITTO

a) The role of Center of International Cooperation MoF are :
   - Facilitate executing agency and ITTO upon project development
   - Monitor project activities/implementation
   - Coordinate PSC meeting of the project

b) The role of other stakeholders(ForestryCooperatives/Private sectors) includes:
   a) Implementing technical aspects of forest utilization of NTPF in the field
   b) Sharing information regarding implementation of forest based climate change initiatives including REDD and other initiatives based on SFM on the ground

(3) The role of local communities :
   a) Participation in the process of developing strategy
   b) Involvement in training activities
   c) Involvement in program and activities related to SFM initiative in order to reduce emission from deforestation and degradation

4.2 Reporting, review, monitoring and evaluation

2.1 Project Progress Report.
The first project progress report will be given to ITTO 6 months after project start-up or at least 4 months before the date of the monitoring visit (or Steering Committee meeting) and 2 months before every Council Session (in May and November).

2.2.Project Completion Report
This will be submitted within three months after Project Completion.

2.3.Project Technical Reports.
Project Technical Reports will be prepared for activities where technical results are expected, i.e. achievements of Project Outputs.

2.4.Monitoring, Review and Steering Committee's Visits.

A Steering Committee will be established, to be appointed by the Minister of Forestry upon proposal from the Executing Agency. The Steering Committee meeting will be held annually or as necessary. ITTO monitoring visits, if considered still necessary, will be arranged after the achievement of the respective outputs according to the Workplan.

2.5.Evaluation

Evaluation will be conducted during the last quarter before completion of the Project.

4.3 Dissemination and mainstreaming of project learning

4.3.1 Dissemination of project results

The results of the project will be disseminated through various means such as public consultation, workshop, internet, documents dissemination, and field visit.

4.3.2 Mainstreaming project learning

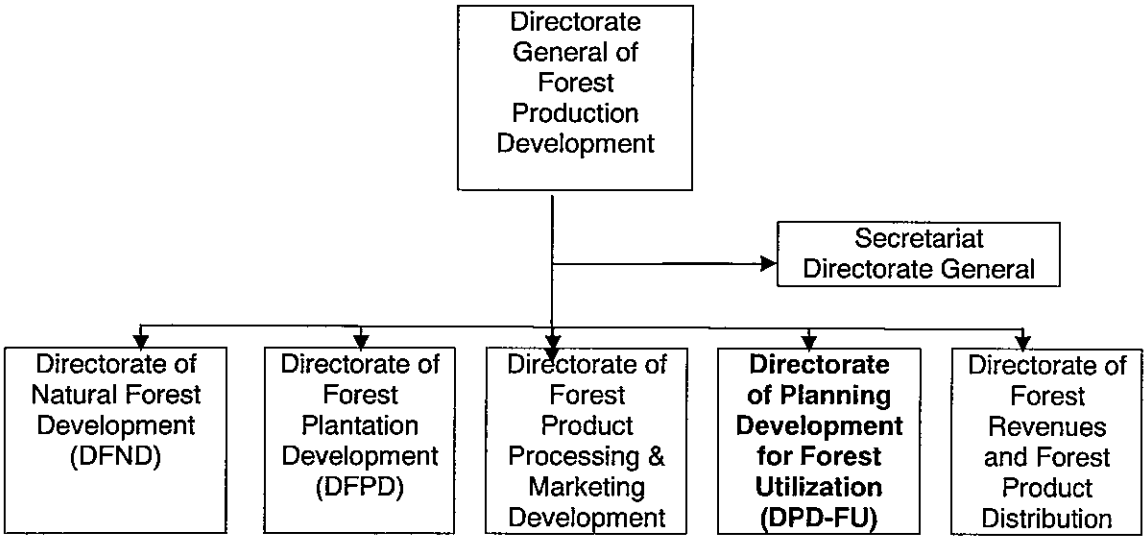
This project will provide a lesson learned on forest carbon policies that explore any mechanism on reducing emission including REDD, voluntary carbon market. Lesson learned from formulation of national policies will be useful for mainstreaming international policies.

ANNEX 1 PROFILES OF THE EXECUTING AGENCY

BACKGROUND

The Directorate General of Forest Production and Development, the Ministry of Forestry of the Republic of Indonesia

The Directorate General of Forest Production Development is responsible for forest utilization activities in Production Forest Areas on a sustainable basis, and has functions in providing regulations, services and controls for all aspects related to forest utilization. It consists of five directorates and one secretariat of the directorate general. The Organization Structure as follows:



The DG main task is to provide rules and regulations , policy, planning, standard operation and technical assistance for the management and development of natural forest. In order to ensure sustainability of the natural forest resources, the DNFD has carried out a range of activities in particularly promoting the sustainable forest management. **Executing Agency for**

this Project is under the responsibility of the Directorate of Planning Development for Forest Utilization(DPD-FU)

INFRASTRUCTURE

Regarding the infrastructure, the Directorate of Planning Development for Forest Utilization is prepared to carry out the project. The office is already connected to a 2 Mbps bandwidth of Internet connection and all staff has personal computer.

BUDGET

Within the last three years, the budget of the Directorate of Planning Development for Forest Utilization was as follows:

Activities	2007 (USD)	2008 (USD)	2009 (USD)
Operational and Maintenance Cost	286,619	292,425	276,222
Publication	158,388	159,589	87,687
Planning Programs	1,169,368	1,301,831	1,058,431
Training Programs	142,811	104,692	64,976
TOTAL	**1,757,186**	**1,858,536**	**1,487,316**

Note: USD 1 = IDR 10,500

PERSONNEL

The personnel within the Directorate of Planning Development for Forest Utilization(DPD-FU) is described as the following:

With Postgraduate Degrees	12
With Graduate Degrees	15
Middle-level Technicians	10
Administrative Personnel	12
TOTAL PERSONNEL	**49**

In supporting the capacity of its staff, the DFD-FU has conducted several trainings dealing with sustainable forest management such as training for assessors for C & I evaluation, and Chain of Custody.

ANNEX 2 TASKS AND RESPONSIBILITIES OF KEY EXPERTS PROVIDED BY THE EXECUTING AGENCY

No	*Name*	*Professional education*	*Position in present organization*	*Experience relevant to the project*	*Task in the project*
1.	Dr. Yetti Rusli	PhD	Senior Advisor of the Minister of Forestry for Environment	International Experience in SFM framework in REDD and carbon trade	Project initiator Senior/international Expert on forest policy and REDD
2.	Dr. Hadi Daryanto	PhD	Director General of Forest Production Development	International Expertise on SFM framework and REDD	Head of PSC
3.	Dr. Iman Santoso	PhD	Director of Planning Development for Forest Utilization	International Expertise in forestry and climate change programme	Executing Agency
4.	Yani Septiani	Master degree	Policy Advisor for Programme on Forestry and Climate Change	Expert in forestry and climate change programme (Indonesian-German Cooperation Project)	Project Formulator/ Management Team
5.	Agus Justianto	PhD	Co-Director DFID-Multistakeholder Forestry Programme	Member of Climate change working Group	Consultant/advisor
6.	Lasmini	Master degree	National expert for SFM/REDD	Member of Climate change working Group	Consultant/Project Management team
7.	Maidiward	Master degree	Head of Division Natural Forest Planning	Member of Climate Change working group	Counterpart/Project Management Team
8.	Ristianto	Master degree	Head of section Strategic Planning, MoF	Member of Climate change working Group	Project Management Team

ANNEX 3 TERMS OF REFERENCE OF PERSONNEL AND CONSULTANTS AND SUB-CONTRACTS FUNDED BY ITTO

I. Terms of Reference for Project Coordinator

Position: Project coordinator; one project coordinator will be hired to run the project and to coordinate operational activities.

Duration: 24 months

Responsibility: Project coordinator will be responsible for coordinating and supervising all activities and ensuring that the overall objectives are achievedunder the coordination of the steering committee and in close cooperation with other yes or we can rent to expatriat

members of the project staff. He or she will work closely with all parties and personnel involved in the project, and be responsible for the day to day management of the project. He or she will integrate all activities of project management and be responsible of funds applied to the project and for the preparation of all project reports.

Qualification, experience and payment: holder of at least bachelor degree in forestry/relevant field . Good understanding in English both oral and written. He or she must have good understanding of the overall project objectives, output to be achieved and activities to be carried out of the project. He or she must have sufficient experience in working on SFM, Climate Change or REDD and have high communication and languistical ability. Rate of payment 1,500 USD per month. The Project coordinator will be required to travel to the field. He or she will receive Daily Subsistence Allowance during duty the travels.

II. Project Financial/Secretary/Administrative staffs

Duration : 24 months

Responsibilty: Project Financial/Secretary helps the Team Leader on financial and financial matter

III. **Terms of Refference for Project International and National Consultant**

Name/position	Term of Reference	Duration of Employment	Qualification ,time and payment
International Consultant	**Position:** The international expert/consultant will be assigned to achieve output 1 Activities 1.1 of the project. The expert must have expertise and knowledge in forest policy and having knowledge of SFM and climate change initiatives, REDD policy option and she/he should have access/network to the relevant international bodies,and at least 3 years working in relevant field. **Responsibilities**: the expert will be responsible (1) Assess and analyse regulations concerning SFM, forest based carbon, C stock, CO2 sequestration and green product (2) Conduct discussions with key decision makers and relevant stakeholders in the process of consultation (3) Prepare a result report within the period of assignment. The report and documentation must be presented in project meeting	1 months	**Qualification ,time and payment**: Hold at least Master degree and 3-5 years experience in field above. Good understanding in English both oral and written. Sufficient knowledge in situation of Indonesia. Expert will carry out the activity within the time as allocated by the project. Rate of payment is US$ 10,000 per month
National Consultant	**Position:** The national consultant will be assigned to achieve output 1. Activitiy 1.1 The expert must have expertise and knowledge in SFM implementation, Forest policy and REDD activities in Indonesia , at least 3 years working in qualified relevant field. **Responsibilities:** the expert will be responsible(1) to work together with international	1-3 months	**Qualification ,time and payment**: Hold at least Master degree and 3-5 years experience in field above. Good understanding in English both oral and written. Sufficient knowledge in situation of Indonesia. Expert will carry out the activity within the time as allocated by the project. Rate of payment is US$ 2,000 per month

	expert to asses and analyse roadmap of SFM forest based carbon, C stock, CO2 sequestration, and green products (2) to contribute input in formulate strategy and involve in implementing process (3) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.		
National Consultant	**Position:** The international expert/consultant will be assigned to achieve output 2 Activities 2.1 of the project. The expert must be hold expertise and knowledge in SFM, forest policy and having knowledge on REDD activities and she/he should has access/network to the relevant international bodies, at least 3 years working in relevant field. **Responsibilities**: the expert will be responsible (1) To assses infrastructure and mechanism elated to SFM initiatives and REDD in Indonesia (2) conduct consultation and involve in the process (3) to prepare a result report is within the period of assignment. The report and documentation must be presented in the project meeting.	1-3 months	**Qualification ,time and payment**: Hold at least Master degree and 3-5 years experience in field above. Good understanding in English both oral and written. Sufficient knowledge in situation of Indonesia. Expert will carry out the activity within the time as allocated by the project. Rate of payment is US$ 1,500-2000 per month
National Consultant	**Position:** The national consultant will be assigned to achieve output 2 Activitiy 2.2 The expert must be hold expertise and knowledge on Forest economic, REDD activities and other initiatives based on SFM and other relevant field , at least	1-3 months	**Qualification**: Hold at least Master degree and 3-5 years experience in forestry and forest economic. Good understanding in English both oral and written. Sufficient knowledge in situation of Indonesia.

	3 years working in qualified relevant bodies. And have experience to arrange international/national event **Responsibilities:** the expert will be responsible(1) To study and Analyse the economic incentives framework of SFM as important option for forest based climate change mitigation (2) to arrange consultation and meeting key stakeholders in the process of consultation (3) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.		
National Consultant	**Position:** The national consultant will be assigned to achieve output 3 Activity 3.1.1. The expert must be hold expertise and knowledge in on REDD and SFM and institutional capacity and relevant field , at least 3 years working in qualified relevant bodies. **Responsibilities:** the expert will be responsible (1) To study and analysis of information which is related with Data Mapping of REDD SFM based project and available for on going efforts and on a stage of preparation and will work with international expert (2) to compile and map of the all data and involve in consultation process (3) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.	1-3 months	**Qualification:** Hold at least Master degree and 3-5 years experience on REDD activities and SFM based project. Good understanding in English both oral and written. Sufficient knowledge in situation of in east part of Indonesia.

	Position: The national consultant will be assigned to achieve output 3. Activitiy 3.1.2 The expert must be hold expertise and knowledge in Carbon Accounting system and having knowledge with REDD activities in Indonesia and community forestry , at least 3 years working in qualified relevant bodies. **Responsibilities:** the expert will be responsible(1) to develop carbon accounting system in community forestry (2) to contribute input in formulate plan and involve in implementing process (3) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.	1 - 3 months	**Qualification:** Hold at least bachelor or Master degree and 3-5 years experience in forest plannning and forest accounting Good understanding in English both oral and written. Sufficient knowledge on REDD issue and situation of western part of Indonesia. Rate of payment is US$ 1,500- 2,000 per package
	Position: The consultant/facilitator will be assigned to achieve output 3 Activity 3.2.3 of the project. The expert must be hold expertise and knowledge in forestry training and Criteria &Indicator of SFM and REDD activities in Indonesia at least 3 years working in relevant field. **Responsibilities:** the expert will be responsible (1) To design training activities on forest based climate change and REDD and SFM (2) to conduct training for target groups (3) to prepare a technical report is within the period of assignment. The technical report and documentation must be presented in the project meeting.	4 times training	**Qualification ,time and payment:** Hold at least Master degree and 3-5 years experience in field above. Good understanding in English both oral and written. Expert will carry out the activity within the time as allocated by the project. Rate of payment is US$ 1,500- 2,000 per package

ANNEX 4.

REDDES Thematic Programme
Second ITTO REVIEW COMMENT

Specific Recommendations	*Modifications/reformulation*	*Page*
1. It's not clear how a series of stakeholder consultations as called for will contribute to SFM being recognized as a key input to climate change mitigation. Activities related to mapping the SFM and REDD activities in Indonesia should involve work to establish some kind of baseline and measurement techniques for quantifying the contribution of SFM to enhancing forest carbon stocks. However there is no mention of this type of work in the proposal, despite the lack of such information being referred to as a key problem on page 15. If it is being undertaken through other studies, these should be referred to here, many activities are appended in Annexes 5 and 6 but nothing referred to in document.	**See 2.1.3 Problem Analysis** Currently there has been many initiatives done under bilateral cooperation and also by private sectors to implement sfm practices in reducing emission from deforestation and degradation as found in Annex 5 and Annex 6. However, up to now, baseline and measurement techniques for quantifying the contribution of SFM to enhance forest carbon stocks has as yet to be formulated and agreed upon by major stakeholders and thus it is hoped that this ITTO project could help the establishment of such as mentioned above. From some SFM initiative appearing in Indonesia for example: a. At the national level, MoF has calculated forest cover through remote sensing that is updated in every three years. The calculation of forest cover will become the basis that can be converted into carbon stock baseline in forest areas in Indonesia. It will be made into basic calculation for carbon stock baseline. Remote sensing results has been re-calculated with the help of South Dakota State University, USA. b. Forest Resource Information System (FRIS) has been designed to support sustainable forest management . FRIS which was supported by Australia (Annex 6) will also help Indonesia in providing better quality data and information in transparent manner for regular forest resource assesment. The system also is also designed to provide information that can be used to develop a Reffernce Emission Level (REL) for REDD as well as provide critical forestry inputs to the National Carbon Accounting System (NCAS). c. At field level, Forestry cooperative (KPWN) and Unit of Forest Inventory (BPKH) in Jogjakarta at the present time calculating the carbon stock component in Community Forest area using IPCC Guide line. The Berau Forest Carbon Programme by TNC cooperation with Ministry of Forestry establish REL and MRV sytem in district level and will produce a baseline of estimated and anticipated emission under "bussines as usual" activity, study/analize of emission factor from logging operation, and development alternative approaches for REL development. The basis informationof this sfm initiatives above will be used as references in calculating carbon stock commensurate with Indonesian condition. Such results	17

	will be documented and disseminated through Project Activity 3.1. "Assesing the SFM and REDD act-ivities in Indonesia". And the outcome of Activity 3.1 will become a reference to build up baseline and tehnique for calculating carbon stock in every forest type in Indonesia. The outcome will also be used in the process of developing national strategy to maintain and increase carbon stock from the forest	
2. 40% of ITTO budget personnel, more local staff should be covered by Indonesian contribution. Another 40% is meeting related expenses. No funds are assigned for establishing an actual contribution of SFM to carbon balances. Please elaborate	**See 3.4 Budget** Costing of local staff such as forest policy and REDD specialist REDD will be covered by Indonesian contribution. Actually some fund have been allocated for establishing an actual contribution of SFM to carbon balance which in fact been accomodated in study analisis activities to reach the Outputs 1 dan 2 which mostly done by hiring consultants. As an example, Activity 1.1. is an activity assigned for establishing an actual contribution of SFM to carbon balance through studies concerning sfm forest based carbon stock, CO2 sequestration and green products a and also activity 2.2 Conduct study and analysis on economic incentive framework of SFM as important option for forest based climate change mitigation – to reduce emission from and by tropical forest .These study activities are done by hiring several national consultants by funds allocated from the Project Personnel component.	36-49
3. Clearer info on linkages to on-going ITTO work (eg 7&i) should be provided in proposal text	**See Origin 1.1 Origin** ITTO Project PD 519/08 Rev.1 (F) "Tropical Forest Conservation for REDD and Enhancing Carbon stock in Meru Betiri National Park" funded by 7&I has two specific objectives, which are (1) to improve the livelihoods of local communities living inside and in the surrounding area of Meru Betiri National Park (MBNP) through participation in avoiding deforestation, degradation and biodiversity loss and (2) to develop a credible measurable, reportable and verifiable (MRV) system for monitoring emission reductions from deforestation and forest degradation and enhancement of forest carbon stocks in MBNP. The results od this project such as comprehensive baseline data and estimation of emission reduction and carbon enhanchement and system for monitoring emission reduction in conservation forest will be used as source of information and as reference in developing a national strategy to maintain and increase forest carbon stock through sfm implementation.	8-9
4. In addition to the 'technical' comments, the English should be edited. The proposal contains many spelling mistakes that can easily be corrected using a spell-checker.	Spelling checks has been done in editing English sentences in this proposal.	

5. The project proponents need to clearly address the recommendations by the first review.	Recommendation of the first review has in fact been addressed in page 68 of Annex 4 of the proposal document	68-69
6. The basic idea of this proposal – concretizing the linkages between SFM and REDD in Indonesia – is a very valuable idea. However the proponents need to clarify the link from the content and from the institutional challenges for Indonesia	Institutional chalenge on REDD issue for Indonesia is mainly to build the human capacity and intitutions; to support sustainable land use planning, carbon accounting and community involvement programme. The endeavor to assist institutional strengthening has been accomodated through this project in Output 2. "Supported infrastructure and mechanism to bring additional incentives in implementing sfm as important option in REDD (REDD+) assesed" and activity 3.2.3 "Training workshop for decion makers relevant sectors on forest based climate change (REDD)" which will be done through support activities in this project as follows: • Improvement of regulation and policy • Formulation of economic incentive framework for those practicing sfm • Facilitating the process of formation of organization and/or institution working in accreditation and/or certification , assurance and monitoring for emission reduction	19-20
7. Two key initiatives in REDD in Indonesia, the one by the FCPF and the one by the UN-REDD need to be articulated with this proposal. Both initiatives, especially the work with FCPF are aimed to having an impact on the policy definition in Indonesia	The initiatives in REDD in Indonesia actually is not only by the FCPF and UN-REDD, but it was done also by others cooperation as Annex 6. The FCPF Cooperation Project aim to support REDDI readiness. They work in 3 component programme/activities such as :(1) Analytical work (2) Management of readiness process (synergy with activities supported by UNREDD) (3) Support Methodogy development (REL and MRV) synergy with related activities supported by Australia and UNREDD The objective of UN REDD Cooperation Project UN-REDD (United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries in Indonesia is tos upport the GoI in attaining REDD-Readines. The project has three outcome as follow : (1) Strengthened multi-stakeholder participation and consensus at national level (2) Successful demonstration of establishing a REL, MRV and fair payment systems based on the national REDD architecture (3) Capacity established to implement REDD at decentralized levels These two key initiatives will encourage improvement in policy reform in REDD and SFM issues in Indonesia.	20
8. Again, the proposal needs English editing before it can be accepted	The English language in this project proposal has been edited by a native speaker.	
9. There is no improvement with regard to approaches and	**Please see item 1.3**, all items in approaches and methods have been elaborated in accordance with the	31

methods in the revised proposal. In fact, a new bulleted item has been added to the list of approaches and methods. The request for further elaboration of the approaches and methods, rather than the mere listing given in the earlier assessment, still needs to be addressed.	requirenment of reviewers.	
10. The budget still needs to be revised especially for payment to consultants and national experts. Some terms of reference (TORs) of consultants and national experts can be merged together to reduce expenses.	**See 3.4 Budget** Budget has been revised. Cost for consultant is reduced to lessen expenses. **See III. Terms of Reference for Project National Consultant/Expert** The TOR that has been merged.	36-49 59-62
11. Results from the project might also be adopted by some other ITTO member countries, especially in developing their national strategy on reducing emissions from deforestation and degradation. The speed of adoption by other ITTO member countries could be accelerated should the developed national strategy be proven applicable and successful in Indonesia. In other words, besides developing a national strategy, such strategy needs to be tested and assessed.	This request has been accommodate in Activities 3.2 "Strengthen information sharing and network-ing among relevant stakeholders in Indonesia and within ITTO member countries in impelementing forest based climate change initiatives including REDD and other initiatives based on SFM" which will be done through international meeting participated by related countries at the Asian and Australia regional level. Through this project activity meeting with other ITTO member countries will be facilitated for information sharing.	30
12. The section on qualitative indicators can be improved	**See 1.4 Logical framework matrix** Qualitive indicators has been improved to become more measurable	23-27
13. In preparing the project proposal, the consultation process involved various stakeholders, but there is no concrete proof. It is also mentioned that the project initiator and formulator conducted several focus discussions with related stakeholders. Information needs to be provided including dates of discussions, how many stakeholders attended and who they were.	Information on consultation process with stakeholders has been improved commensurate with the indication of reviewers. To elaborate a clear and comprehensive problem analysis based on the key issue on REDD and SFM, a series discussion and brainstorming was developed through a communication and consultation process involving relevant stakeholders in Jakarta (May –August 2009). Firstly, In the preparation for project document, Senior Advisor of the Minister of Forestry on Environment and Director General of Forest production has initiated to establish stakeholders consultation on 15 May 2009 in Jakarta to discuss the project idea and problem analysis on REDD and SFM. It was attended by + 20 participants from Ministry of Forestry, private	18

	sectors, NGO's, universities and Climate Change Councils. After project document writing has been done, on 9 June 2009 in Jakarta, stake holder's communication has continued to get input and improve of the draft document. A total of 15 experts on REDD and forestry from Ministry of Forestry, private sector (PT Inhutani and PT SBKH), NGO's (Kehati, Clinton Foundation, TNC etc), University (Institute of Bogor Agriculture) have participated and contributed some idea and inputs. It was chaired by Senior Advisor of the Minister on Environment. After that, two time's discussion and brainstorming was organized by small working group in Ministry of Forestry still carried out to finalize the project document (12 and 19 June 2009). Each discussion was attended by project formulator, initiator of project proposal (MoF), private sector etc. On 14 August 2009, consultation was carried out with clearing house of ITTO in Ministry of Forestry to present the final revision of project document. Therefore the proposal was elaborated after long process of consultation and to get consensus with relevant stakeholder (during May - August 2009). A broad stakeholder has shared in problem tackled through the project intervention.	

REDDES Thematic Programme
First ITTO REVIEW COMMENT

Specific Recommendations	*Modifications/reformulation*	*Page*
1. The proposal is highly relevant to ITTA 2006 and the REDDES objectives and scope.		
2. The proposal is based on the need to link SFM and REDD. The REDD component could be strengthened through **inclusion of recent REDD developments (e.g. look at ITTO reports on developments within the UNFCCC negotiations and other references).** The two key problems could probably be merged into one.	Has been improved. See Origin Two key problem has been marged (see problem and objective tree) Has beed added the statement that SFM will **not completely eliminate** deforestation problems however-SFM will improve forest management bring economically feasible, ecologically sustainable and socially acceptable management practices. Moreover SFM will promote more carbon stock in the forest, more sequestration and more stock carbon in form of green products	7 19-20 7
3. The logframe is well presented, however the expected outcomes appear overenthusiastic. **To assume that by the end of the project the SFM is an effective framework across Indonesia appears unrealistic.** The project is though a step towards such outcome. **Sharing and networking with stakeholders (output 1.2) should also follow after completion of objective 2** activities to present and discuss results with stakeholders. Conflict of interest between stakeholders could probably be listed as a risk or potential risk.	Expected outcome has been improved . See **1.4 Expected outcomes at project completion** Output has been improved. See Output **3.1.1 Outputs** Risk has been revised . See **3.5.1 Assumptions and risks** Has been added in the statement in **1.4 Expected outcomes at project completion** and see **3.5.2 Sustainability**	12 25-26 45 12 46
4. The project will prepare a compilation of activities related to SFM and REDD, propose a strategy and incentives for SFM, but the problem is more complex. SFM will **not eliminate** deforestation problems. More elaboration is sought on what are **next steps after having 'incentive options' and how will the strategy be implemented?**	Effect has beed improved see problem tre and explanation in **Expected outcomes at project completion** . See the 3.4. Budget And TOR consultant has been revised in Annex 3.	19-20 12 33-41 52-56
5. The section on **effects** needs improvement and more explanation.	See section **3.1** output and Activities has been revised **based on Objective tree**	19-20 26-27
6. The workplan is reasonable, but the budget could be improved, e.g, some TORs for consultants could be merged (one consultant of data collection, data analysis		

and data development). Numbering is required for each sub-budget item in tables 3.4.2 - 3.4.4. Numbering should also be included for each activity	Has been improved. See **1.4 Logical framework matrix** Has been revised see. **3.5.2 Sustainability**	21-24 46
7. There is some **lack of coherence between proposed activities and objectives.** The link between the activities to the achievement of the outputs must be better presented (e.g. maybe inclusion of some intermediate phase/step). Verification measures need to be improved, in particular for output 2.3	Has been revised to be clearly presented. See **2.1.2 Stakeholder analysis**	14-16
8. The **qualitative indicators section needs improvement.**		
9. The **sustainability section refers to the institutional and financial sustainability** but not **to the sustainability of outputs or outcomes which is highly dependent on the willingness of the relevant authority to implement.** This may need further explanation and thought.		
10. **Relevant stakeholders are identified,** however their involvement in the implementation is not clearly presented.		

ANNEX 5 REDD initiatives through SFM activities (Private Sector) in Indonesia

Location	Institution(s)	Activity	Summary
West Java (Cikampek) and East Java (Madiun)	Forestry cooperative (KPWN)	As the forest developer, to conduct planting and maintenance of teak forest established under this KPWN's initiative. As the Forest Management Unit, to ensure that all requirements of SFM is complied with and communities that are involved receiving proper benefits	Implementing rewarding scheme of environmental services on carbon benefit from forest/trees management entity applying sustainable forest/trees management practices.
Central Kalimantan (Katingan)	CER Indonesia & PT. Sari Bumi Kusuma (SBK)	Assess opportunity of PT. SBK's SILIN activity to participate in REDD and calculating the potential carbon sequestration	The proposed demonstration activity is to assess the potential of TPTJ (selective cutting and line planting) system in reducing or preventing forest from degradation. The study suggests that the carbon stock 4 years after logging in TPTJ (selective cutting and line planting) system is higher than carbon stock in TPTI (selective cutting and planting) system 14 years after logging, indicating its potential to preventing production forest from degradation.
East Kalimantan (Malinau)	GER (Global Eco Rescue)	Malinau has signed MoU for carbon credit purchase under voluntary scheme with GER in early 2008	GER offered cooperation in carbon research for 4 years in 325,000 hectares land. Price offered for the research is EUR 5 per hectare applicable for the first two years of research. Price after 2 years is expected to increase. After 2012 the price will be re-negotiated.
East Kalimantan (Malinau)	PT. Inhutani II, GER, Keep Habitat and Bird Life	PT, Inhutani II has proposed concession areas for REDD demonstration activities.	PT. Inhutani II holds forest concession right for 218,300 ha in Malinau and Sei Tubu and Sei Semamu districts of East Kalimantan. It has logging quota of about 95,000 m^3 per year. The project proposes a number of options to reduce emission, i.e. stop logging, reducing logging quota or expanding the implementation of RIL system from demonstration pilot into operational scale. GER offers PT. Inhutani to do project via voluntary carbon market.
Sumatra (Jambi; Musi Banyu Asin)	Burung Indonesia (BI / Bird Life)	BI obtained Concession for Ecosystem Restoration in Production Forest	Area being managed is 53,000 hectares and additional 48,000 ha is being reserved for BI. Up to now, BI is focusing on *Sustainable Forest Management* but has not yet planned to propose its activity under REDD. This activity has potential to reduce future emission from deforestation and degradation.
Sumatra (Riau)	CSO (*Civil Society Organization*); Latin, IHSA, Telapak, JAFLEK, WARSI, Sumatra Support Sistem, Kawal Borneo Community Foundation, Sulawesi Community Foundation, LEI	Socialization of REDD in Sumatera	Activity was supported by local government and stakeholders in Riau. One of the proposed areas is peat land on Kampar peninsula. Based on assessment of WWF (2008), potential CO_2 emission from deforestation (BAU) between 2007 and 2015 in Riau Province is about 0.94 Gt. If the government successfully implements revised spatial plan, the emission from deforestation and forest degradation can be reduced to 0.48 Gt. Thus total carbon being saved would be about 0.46 Gt.
South Kalimantan (Banjarmasin)	CSO (*Civil Society Organization*); Latin, IHSA, Telapak, JAFLEK, WARSI, Sumatra Support	Socialization of REDD in Kalimantan	Stakeholders in Samarinda supported this REDD activity. Community assistance will be needed

Location	Institution(s)	Activity	Summary
	Sistem, Kawal Borneo Community Foundation, Sulawesi Community Foundation, LEI		
Sulawesi (Kendari, Palu, Tomohon dan Makassar)	CSO (*Civil Society Organization*) ; Latin, IHSA, Telapak, JAFLEK, WARSI, Sumatra Support Sistem, Kawal Borneo Community Foundation, Sulawesi Community Foundation, LEI	Socialization of REDD in Sulawesi	Stakeholders supported the REDD activity. National and ministerial-level policy support will be needed
Papua (Sorong)	CSO (*Civil Society Organization*); Latin, IHSA, Telapak, JAFLEK, WARSI, Sumatra Support Sistem, Kawal Borneo Community Foundation, Sulawesi Community Foundation, LEI	Socialization of REDD in Papua	Local government and NGOs supported REDD. Refusal came from Adat Institutions in Sorong, which thought REDD will only benefit private interests while community will not be able to participate due to its difficult mechanism. However, after COP 13 in Bali, it was decided that Papua would like to initially protect about 500,000 hectares of forest for REDD and if it succeeds, the Governor of Papua promised to expand it to four million hectares.
Sumatra (Aceh)	Merlin (Insurance company)		Under Law 11/2006, Aceh has received the special right to manage more than 3 million ha of forest. Through Aceh Green Vision Program, Government of Aceh has declared to conserve their forest (such as Leuser Ecosystem) and called international communities to give compensation. The insurance company offered carbon credit price of 3 USD per ton CO_2, with about 15-25% percentage for facilitators.
Sumatra (Aceh, Ulu Masen)	Provincial Government of Aceh, Fauna & Flora International & Carbon Conservation Pty. Ltd, Merill Lynch	Reducing Carbon Emissions from Deforestation in the Ulu Masen Ecosystem, Aceh, Indonesia	The project will use land use planning and reclassification, increased monitoring and law enforcement, reforestation, restoration, and sustainable community logging on 750,000 ha of forest in the Ulu Masen Ecosystem. The project estimates proposed activities will reduce deforestation in the area by 85% and 3,369,848 tons of CO2 emissions can be avoided each year.
Papua	Government of Papua, New Forests Pty Ltd., Emerald Planet Ltd.	A Memorandum of Understanding (MOU) was signed to establish REDD Project in Papua, Indonesia	The project involves conservation of over a million hectares of rainforests and aims to generate up to us $432 million carbon credits over the next 30 years and create "a perpetual financial base for local communities". The parties are assessing three project areas ranging in size from 300,000 hectares to one million hectares. Final selection of a project site will be followed by a period to negotiate contractual relationships and investment entities.

Annex 6.

List of Bilateral/Multilateral Collaboration on REDD, Forest and Climate Change

No.	Country	Project Title	Project duration	Budget	Objective
1	DFID-UK	Cooperation to Support Forest Governance and Multistakeholders Forestry Programme	2007-2010	5 million Poundsterling	1. Support governance reforms to reduce and eventually eliminate illegal logging and its associated timber trade, with a particular focus on support to negotiation and implementation of the EU-GoI FLEGT VPA and other international arrangements; 2. Explore the opportunities for governance reforms that are necessary for Reduced Emissions from Deforestation and Degradation (REDD).
2	Germany	*FFORESTRY-CLIMATE CHANGE PROJECT IN CENTRAL AND EAST KALIMANTAN (FCCP)*	7 years	26 million Euro	**Overal Objective:** To support Indonesia with the reduction of Green House Gases (GHG) emission (mitigation) from deforestation and degradation. **Specific Objective:** 1. To support development of demonstration activities of REDD 2. To support the implementation of mechanism related to avoiding deforestation by development of pilot projects in Indonesia
		Technical Cooperation Forestry Program in Implementing The Heart of Borneo (HoB) Initiative (Malaysia, Indonesia and Brunei Darussalam)	Started in 2008 for a 3 years duration	2,5 million Euro	Objectives : 1. To establish trilateral, national and local (states, provincial, and district) institutional arrangement to support the implementation of the HoB Program 2. To develop mechanisms, including inter alia, action plan at all levels, on the implementation of HoB program. 3. To strengthen capacity of stakeholders related to the implementation of HoB programs.
3	Australia	*A Program of Bilateral Cooperation to Reduce Greenhouse Gas Emissions Associated with Deforestation in Indonesia under the Global Initiative on Forests and Climate*	2007- 2012	10 million dollar Australia	The goal of the program is to support GOI efforts to reduce greenhouse gas emissions associated with deforestation in Indonesia, through actions to reduce rates of deforestation, support reforestation and delivering improvements in rural livelihoods and environmental benefits. Developn Demonstration Activities on REDD in peatland area Develop National Carbon Accounting System
		Kalimantan Forests and Climate Partnership		30 million dollar Australia	
4	Republic of	*Korea-Indonesia Joint Program on Adapt*	2008-2012	5 million dollar US	1. To acquire cost-effective potential A/R CDM sites and to establish foundation fo

	Korea	*ation and Mitigation of Climate Change in Forestry through Afforestation/Reforestati on Clean Development Mechanism (A/R CDM) and other Related Mechanisms*			r carbon credits in preparation of post-2012 emission commitment 2. To analyze REDD application, one of the key issues in international climate cha nge discussions, and to acquire framework in carbon credits by preventing fore st conversion as a post-2012 preparative measure 3. To implement capacity building programs including expert exchange and trainin g courses
5.	UN REDD Norwegian government	*UN-REDD*	2009-2011	Dollar US	To suport REDD readiness and Demonstration activities The partnership will focus on supporting Indonesia's efforts to reforesting the ex-mega rice project as well as conserving the rich bio-diversity of forested peatland, promoting sustainable forest management and addressing illegal logging and illegal timber trade. The partner ship will, in turn, contribute also to the enhancement of livelihood for forest-dep endent communities.
7.	World Bank	*Forest Carbon Pantership facilities*			To suport REDDI readineness
6.	ITTO	*Tropical forest conservation for reducing emission from deforestation and degradat ion and enhancing carbon stocks in Meru Betiri National Park Indonesia*	4 years	973.388 USD	To improve livelihood of local communities living inside and in surrounding of Meru Betiri Nationa park through participation in avoiding deforestation, degradation and biodiversity loss and (2) to develop credible measurable, reportable, and v erifiable sytem for monitoring emission from REDD and enhancement carbon st ock in the Meru Betiri National park east Java