

# Safeguards and REDD+ Funding Instrument in Indonesia

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## Contents

<b>Context</b> .....	<b>1</b>
<b>What’s already there regarding safeguards?</b> .....	<b>4</b>
<b>Comparison of REDD+ Agency and Ditjen PPI’s mandates regarding safeguards</b> .....	<b>6</b>
<b>Comparison of safeguards principles: PRISAI and SIS-REDD+</b> .....	<b>7</b>
<b>Important issues in funding instrument discussion</b> .....	<b>18</b>

## Context

Safeguards implementation is an integral part of REDD+ implementation as mandated by COP-16 in Cancun. Each country that undertakes REDD+ activities must **address and respect the Cancun Safeguards** and **develop a system for providing information** on how the safeguards are being addressed and respected in REDD+ implementation. The scope of ‘REDD+ activities’ become important to determine the scope of safeguards implementation. Cancun Agreement specifies that REDD+ includes the following five activities:

1. Reduction of emissions from deforestation
2. Reduction of emissions from forest degradation
3. Conservation of forest carbon stock
4. Sustainable management of forests
5. Enhancement of carbon stock

The scope of REDD+ in Indonesia is further specified in the REDD+ National Strategy (STRANAS),<sup>1</sup> which are slightly more detailed:

1. Reduction of emissions from deforestation<sup>2</sup>
2. Reduction of emissions from forest degradation
3. Preservation and enhancement of carbons stock through:
  - a. Forest conservation<sup>3</sup>
  - b. Sustainable forest management<sup>4</sup>

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<sup>1</sup> REDD+ National Strategy, June 2012.

<sup>2</sup> Warrants inclusion of moratorium and palm oil moratorium plan as REDD+.

<sup>3</sup> Warrants inclusion of community-based conservation, including through social forestry schemes as REDD+.

<sup>4</sup> Warrants inclusion of PHPL and SVLK as REDD+.

- c. Rehabilitation and restoration of degraded areas<sup>5</sup>
- 4. Generation of additional benefits in addition to carbon benefit through:
  - a. Improvement of the livelihood of local communities
  - b. Improvement of biodiversity
  - c. Improvement of other ecosystem services

It should be noted that when it comes to REDD+, according to STRANAS, REDD+ will be implemented in all forested and peatland areas, both inside forest area and in area for other purposes (APL), which by law is not under the purview of the Ministry of Forestry and Environment. This is relevant to the scope of safeguards implementation and when we talk about the scope of National Forest Monitoring System and when determining the number of deforestation and forest degradation that has been reduced.

Although REDD+ is not new in terms of activities, a truly novel element of REDD+ is the mechanism of incentive (ex-ante/preparation grant for ‘enabling conditions’ and ex-post/results-based payments) for policies and activities designed to reduce emissions from forests and increase forest cover and forest carbon stock, such as the Letter of Intent signed between Indonesia and Norway. The US\$ 1 billion pledge of financial incentive has set things in motion with regards to REDD+ implementation in Indonesia, leading to development of elements required for REDD+ implementation, including safeguards. The elements were later tied together in the “Warsaw Framework for REDD+” (WFR). WFR states that the following elements must be *in place* (not just under development) before a country is able to **access results-based payments** (keep in mind that an MRV system is an inherent requirement because all REDD+ actions must be fully MRV-ed):

1. **National Strategy or Action Plan**, which addresses drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations, and **safeguards**, ensuring full and effective participation of relevant stakeholders, including indigenous people and local communities.
2. **National Forest Reference Emissions Level and/or Forest Reference Level (FREL/FRL)** meeting the following principles: transparency, completeness, consistency, accuracy, comprehensiveness, guided by the most recent IPCC guidelines
3. **National Forest Monitoring System (NFMS)** meeting the following principles: robustness and transparency, guided by IPCC guidance and guidelines. The NFMS is the cornerstone of the MRV process.
4. **Safeguards Information System (SIS)**. REDD+ activities should “promote and support” a set of social and environmental safeguards (with reference to Cancun Safeguards). Furthermore, countries undertaking REDD+ are requested to develop a system for providing information (SIS) on how all the safeguards are being addressed and respected throughout the implementation of REDD+ activities in all phases. SIS must be implemented **at the national level** for all REDD+ activities regardless of the source or type of financing and through a country-driven approach. SIS must be consistent, comprehensive, transparent, accessible by all stakeholders, updated regularly, flexible to allow improvements over time, and provide information on how all the safeguards are being addressed and respected. REDD+ countries should periodically provide a **summary of information** on how all the safeguards are being addressed and respected even before SIS is fully established and operational. The summary should contain the following:
  - a. Information about which REDD+ activities are covered
  - b. Information about national circumstances relevant to addressing and respecting safeguards

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<sup>5</sup> Warrants inclusion of peatland restoration as REDD+.

- c. Description of each safeguards in accordance with national circumstances
- d. Description of existing systems (including SIS) and processes relevant to addressing and respecting safeguards
- e. Information on how each safeguards has been addressed and respected

The national authority responsible for REDD+ in Indonesia (the MoEF cq Ditjen PPI) should include the abovementioned information in national communications to UNFCCC (due late this year) and voluntarily through the REDD+ Web Platform. Before a country can access results-based payments, it should provide **the most recent summary of information** on how all the safeguards have been addressed and respected. Logically, before Indonesia is eligible for RBP under the Lol, it must provide such information to the UNFCCC as well as to the Norwegian government. Unfortunately, there is no agreed format regarding to such summary and the level of details required and there is no provision at the UNFCCC regarding validation or verification of the government’s information, for example through the mechanism of **shadow report**.

The Warsaw Framework for REDD+ is important because it is the basis of REDD+ rules-making and institutional setting in Indonesia, especially after REDD+ implementation was taken over by the Ministry of Environment of Forestry under the Director General of Climate Change Control (Ditjen PPI), which Director General is Nur Masripatin, who had been the lead negotiator for REDD+ and translated the decisions into domestic policies. During the brief life of REDD+ Task Force (2011-2013) and REDD+ Agency (2013-2015) powered by the first tranches of Lol money, the held approach to REDD+, including safeguards, was ‘beyond UNFCCC’ and ‘beyond national (positive) law.’ The process has led to development of the REDD+ National Strategy (STRANAS) with the inclusion of FPIC, institutional setting for REDD+ implementation (the REDD+ Agency) with novel approaches such as “correcting what was right,” “transformational approach,” “non-BAU,” “communities as owner, not disturbed neighbor,” etc., policy paper for REDD+ Funding Instrument (FREDDI), including safeguards principles, criteria, indicators (PRISAI) as well as its implementation system, and MRV, which together (cumulatively) are key to access results-based payments. Meanwhile, under a different stream of process with funding from the German government (through Forclime-GIZ program), Indonesia (the Centre for Standardization and Environment of the Ministry of Forestry under the leadership of Nur Masripatin) developed among others a Safeguards Information System (SIS-REDD+), which have their own principles, criteria, and indicators (PCI) that are based on existing instruments such as AMDAL, KLHS, FSC, LEI, FPIC, SESA, among others. It is important to note that from the perspective of Ditjen PPI as the single institution in charge of REDD+ implementation nowadays, the criteria that must be fulfilled by Indonesia to access REDD+ results-based payments is the Safeguards Information System and the summary of information through the national communications and the REDD+ Web Platform. Under Ditjen PPI, the minimum requirements set by the UNFCCC determines the national, with an important emphasis on national circumstances, capacity, capability, and sovereignty. The ‘beyond UNFCCC’ discourse such as the idea to ‘MRV’ safeguards implementation at the national level (despite the UNFCCC provision mandating it to only be ‘informed’ to the international level) was soon disregarded as ‘overburdensome’. With regards to safeguards, the national laws and legal arrangements as well as existing systems and mechanisms become the key, with progressive elements not yet accommodated by the national laws but are already covered by the policy proposal of safeguards hanging on the cliff. Important questions regarding safeguards in Indonesia are among others:

1. What is the scope of safeguards to be implemented?
2. Who will implement safeguards?
3. Who will monitor and evaluate safeguards implementation?
4. What is the mechanism or consequence if there is a breach of safeguards?

5. What are important safeguards issues that must be addressed when designing a REDD+ Funding Instrument?

### What's already there regarding safeguards?

Each country undertaking REDD+ would need to go through a process of national policy analysis and design, consultation, and consensus-building, testing, and evaluation before moving to full-scale implementation leading to results-based finance. However, Indonesia has barely undergone the process in an integrated manner although officially it is now in the 2<sup>nd</sup> phase of implementation. Below is a list of what's already there with regards to REDD+ safeguards, including the mention of safeguards in the National Strategy and REDD+-related regulation.

No.	REDD+-related Element in WRF	What Indonesia Already Has	Notes
1.	National Strategy or Action Plan (RAN-GRK)	National Action Plan on Greenhouse Gases Emissions Reduction (RAN-GRK) legalized through a Presidential Regulation (Perpres) No. 61/2011	This regulation was issued before the REDD+ National Strategy existed and was implemented under the purview of the National Development Agency (Bappenas). According to STRANAS, REDD+ is supposed to support RAN-GRK from forestry, peatland, and agriculture sectors. The Plan was valid for 5 years and is currently under review but the regulation as well as the action plan has not been updated and according to Ditjen PPI it is now 'stuck' at the review phase. The evaluation by Bappenas revealed that the Ministry of Forestry as the largest contributor to the emissions reduction target had not contributed in a meaningful way in terms of data submission. Ditjen PPI views that the action plan was "unrealistic" and difficult to achieve because most of the activities listed were unable to be MRV-ed, such as forest area gazettement and establishment of FMUs. <b>There is no explicit reference to REDD+ or safeguards in this regulation.</b>
		REDD+ National Strategy (STRANAS)	The STRANAS was developed by the REDD+ Task Force empowered by the Lol money. The Strategy mandates a development of REDD+ National Action Plan (RAN REDD+) to be adopted by the Presidential Work Plan (RKP) and the State Budget (APBN). At the regional level, STRANAS is translated into Provincial Action Plan (SRAP) to be adopted in the Regional Government Action Plan (RKPD) and the Regional Budget (APBD). No REDD+ Action Plan has been developed and STRANAS remains a policy paper that contains policy directions but

			<p>is not referred to or mentioned in any regulation or anything with a legal basis to guarantee its implementation, especially after disbandment of REDD+ Agency. After Paris Agreement was ratified, the NDC document becomes the main reference. REDD+ is mentioned as an important program for NDC in forestry sector but STRANAS is not explicitly mentioned in the First NDC. <b>SIS-REDD+ is mentioned in NDC as part of the Transparency Framework under Paris Agreement, but PRISAI is not mentioned anywhere.</b> The question remains, will REDD+ implementation coordinated by Ditjen PPI be based on the more progressive, non-BAU STRANAS?</p>
2.	Safeguards Information System	PRISAI	<p>STRANAS mandates development of REDD+ principles, criteria and indicators to operationalize (address and respect) safeguards and the result is PRISAI (Principles, Criteria, and Indicators of REDD+ Indonesia), which is a part of REDD+ Funding Instrument (FREDDI). The design by REDD+ Task Force also included a REDD+ Committee and a governance design regarding safeguards implementation at the activity (project) level.</p>
		SIS-REDD+	<p>A parallel process to that of REDD+ Task Force, SIS-REDD+ was developed by the Ministry of Forestry led by Nur Masripatin, the current Head of Ditjen PPI. At first, it was agreed that SIS-REDD+ will be the 'house' or system for reporting and PRISAI will be the 'furniture' or the assessment tool. But later, Ministry of Forestry developed its own PCI for SIS-REDD+, which in principles and criteria are quite similar, but differ in indicators, especially with regards to the level of detail. Currently, only SIS-REDD+ is mentioned in recent policy documents such as NDC and posted on Ditjen PPI website. The status of PRISAI after the disbandment of REDD+ Agency is difficult to ascertain. Some said it becomes the 'content' of SIS-REDD+, but some said the status is still hanging. Currently, we are waiting for a regulation from MoEF regarding procedure for REDD+ implementation, with the possibility that safeguards will be referred to.</p>

		Summary of safeguards implementation	Indonesia is planning to submit a Third National Communication by the end of 2017. Because REDD+ implementation in Indonesia has commenced, a summary of safeguards implementation should be included in the TNC. Currently, Indonesia has only submitted submissions on experience in developing and implementing Safeguards Information System.
3.		Funding Instrument	At the national level, safeguards implementation is linked to funding instrument or disbursement of REDD+ money. Regulations regarding funding instrument (BPD LH) in the form of BLU have not been disclosed so we do not know where safeguards is positioned in the framework of funding instrument and whether a reference is made to PRISAI or SIS-REDD+ or both.

### Comparison of REDD+ Agency and Ditjen PPI’s mandates regarding safeguards

According to STRANAS, REDD+ implementation in Indonesia will be based on the following principles: effective, efficient, just, transparent, and accountable. Under ‘just’ principle, the principle of equality and human rights protection, including those of vulnerable groups, are explicitly mentioned. Civil society promoted the concept of “rights-based safeguards” (RBS) with an emphasis in fulfilling, respecting, and promoting human rights and the views were accommodated in PRISAI (Principles, Criteria, and Indicators for REDD+ Indonesia), which parts were written by civil society elements themselves.

With regards to REDD+ institutions, including REDD+ Managing Agency, Funding Instrument, and MRV Institution, STRANAS mentions the following criteria to be met: good governance, inclusiveness (ensuring participation of stakeholders), and cost efficiency. After the disbandment of REDD+ Agency in 2015 and its merging to the MoEF, the REDD+ Managing Agency in Indonesia refers to the Directorate General of Climate Change Control (Ditjen PPI), which mandate is far broader than just managing REDD+, but covers all mitigation and adaptation activities, including from the energy sector, waste, transportation, agriculture, and AFOLU. With the current architecture, REDD+ becomes a smaller part of the mitigation action from the land sector. Previously, REDD+ was the bigger transformational movement, which was supposed to induce reform in all land-based sector. With the sectoral approach of the Ministry of Environment and Forestry, the REDD+ initiatives (license review, legal reform, conflict resolution, land-swap, one map, moratorium, indigenous people recognition, and improvement of forest and peatland governance in general) are rarely called REDD+ anymore because they are now scattered under the many Directorate Generals and other agencies. Safeguards must be implemented for all REDD+ activities in all phases of implementation, but if those activities do not carry the label ‘REDD+’ anymore (for example, moratorium, palm oil moratorium, peatland restoration<sup>6</sup>), then REDD+ safeguards would not be relevant. This raises questions regarding the scope of activities that warrant REDD+ safeguards to be implemented,

<sup>6</sup> For example, Peatland Restoration Agency did not just adapt the REDD+ Safeguards (neither PRISAI nor SIS-REDD+). Instead, it developed a new safeguards framework, which goes beyond Indonesian law and explicitly adopt FPIC.

something that must be clarified in the funding instrument disbursement framework as well as regulation regarding procedure for REDD+ implementation being developed by Ditjen PPI.

No.	Mandates of REDD+ Agency regarding Safeguards	Mandates of Ditjen PPI regarding Safeguards
1.	Becoming a Designated National Authority (DNA) that has the authority to provide summary of information of how all safeguards are addressed and respected.	Become a Designated National Authority (DNA) that has the authority to provide summary of information of how all safeguards are addressed and respected.
2.	Facilitating capacity development for fair benefit-sharing	The Strategic Plan of Ditjen PPI mandates establishment of benefit-sharing mechanism by 2016, but the status or progress of achievement is unknown (no benefit-sharing mechanism/regulation issued yet)
3.	Facilitating development of funding instrument and rules of results-based payment	Facilitating development of funding instrument and rules of results-based payment
4.	Facilitating REDD+ Safeguards instrument (PCI), safeguards information system, establishment of REDD+ Committee, authorizing and coordinating safeguards and audit system for fiduciary, social, and environmental safeguards	Not mentioned specifically. Safeguards is categorized under “mitigation framework” and one of the mandates of Ditjen PPI is formulating, implementing, and evaluating norms and policies in mitigation sector, including REDD+.

### Comparison of safeguards principles: PRISAI and SIS-REDD+

The following table summarizes the comparison between PRISAI and SIS-REDD+ principles and criteria with reference to 7 Cancun Safeguards. In terms of structure, SIS-REDD+ principles directly correspond to each of the 7 Cancun Safeguards while PRISAI contains more principles (10 instead of 7), in which benefit-sharing, tenurial rights, and information disclosure each becomes a full principle. SIS-REDD+ criteria and indicators are derived from existing instruments and are therefore embedded in the national laws and regulations although they also include voluntary certification mechanisms to respond to the global market such as FSC, LEI, and FPIC guidance. At a glance, SIS-REDD+ is much more general and PRISAI is very specific in its indicators with a heavy emphasis on rights. PRISAI also goes beyond the project level by mandating the government and local government to issue certain policies to ensure protection of rights, fair benefit-sharing, etc. PRISAI seems to attempt to become a catalyst for a bigger transformation in terms of legal reform and forest governance. The specificity of PRISAI’s indicators are helpful to ensure that REDD+ goes beyond business as usual practice like other development projects. The many indicators and the very specific nature of PRISAI, however, are sometimes perceived as ‘overburdensome’ by the business as usual bureaucracy and sometimes are perceived as unrealistic. For example, PRISAI mandates that REDD+ is not implemented in area where there is an ongoing conflict before the conflict is resolved, which could be perceived as impossible.



No.	Cancun Safeguards	PRISAI	SIS-REDD+	Analysis
1.	<p>Actions complement and or consistent with the objectives of national forest programs and relevant international conventions and agreements</p>	<p>Principle-2. Complement and or consistent with emission reduction targets, national laws, and related international conventions and agreements.</p> <p>1.1 Support the attainment of National Action Plan on GHG emissions reduction targets</p> <p>1.2 Develop the implementation of CCD, CBD, UNFCCC, Ramsar, and other international agreements relevant to REDD+</p>	<p>Principle-1. REDD+ activities shall comply with government regulations and nationally ratified international conventions/agreements and shall be consistent with the objectives of national forest programs</p> <p>1.1 REDD+ activities shall be coordinated/governed/managed under the authority of the appropriate sub-national or national institution and, where appropriate, under a legal entity incorporated under Indonesian laws and regulations</p> <p>1.2 REDD+ activities at sub-national and national levels shall comply with the applicable laws and international conventions ratified by Indonesia.</p> <p>1.3 REDD+ activities are in line with the objectives of national forest programs as described in the long-term strategic planning of the Indonesian forestry sector</p>	<p>With regards to consistency with national forest programs and international conventions and agreements, SIS-REDD+ criteria are much more general and all-encompassing than PRISAI. The indicators are mostly the availability of legal and administrative documents, planning documents, and reports of implementation. There hasn't been an identification or listing of relevant government regulations and conventions.</p> <p>PRISAI, on the other hand, adds one aspect, consistency with emissions reduction targets, which is described in criteria as alignment with RAN-GRK. Regarding international conventions, the criterion is also much more specific, namely to develop implementation of the related international conventions. The indicators are divided into actors that must implement them (government, local government, project proponent) and entail development of necessary policies and programs by the government to create enabling conditions, for example the availability of a policy to strengthen natural resources utilization that supports global environmental balance, policy to accelerate forest area rehabilitation, policy to mainstream governance</p>



				and human rights policies to each sector, etc. These indicators, however, still need verifiers, for example to verify implementation of CBD, UNFCCC, CCD, and RAMSAR in REDD+ program and has not touched the project level.
2.	Transparent and effective national forest governance structures, taking into account national legislation and sovereignty	<p>Principle-3. Improving forest governance</p> <p>3.1 Supporting the implementation of forest governance that is effective and efficient with mechanisms and work patterns that are transparent, accountable, and supported by adequate capacity</p> <p>3.2 Preventing corruption</p> <p>Principle-10. Transparent, accountable, and institutionalized information system</p> <p>10.1 REDD+ implementor is active in providing information and looking for information needed by the public related to activities that is being and will be implemented.</p> <p>10.2 Providing information regarding the result of monitoring of safeguards implementation</p>	<p>Principle-2. REDD+ activities at all scales and contexts shall contribute to transparent and effective forest governance in accordance with national sovereignty.</p> <p>2.1 Appropriate to the scale and context of REDD+ activities, institutional arrangements support communication between stakeholders for effective monitoring of implementation of good governance principles.</p> <p>2.2 The entity responsible for REDD+ activities shall publicize commitment not to offer or accept bribes in money or any other form of corruption and shall comply with Indonesia's anti corruption legislation</p>	<p>Transparency</p> <p>PRISAI has two principles related to transparency (3&amp;10) with a full principle dedicated for transparent, accountable, and institutionalized information system (principle-10). The criteria demand REDD+ implementors to actively provide information (SIS-REDD+ does not talk about <i>active</i> information disclosure) and to provide information regarding the result of safeguards monitoring (SIS-REDD+ does not talk about this either). The active provision of information and dissemination of safeguards monitoring results are important because in many cases, government or project implementors only give pertinent information that affect communities' life when asked. The indicators also address the issue of providing information <i>before</i> a project is designed at the site level, mechanism for clarification and complaint, the use of simple and easy language, and gender sensitive and responsive approach in providing information.</p>

			<p>At the government level, PRISAI indicators demand the availability of a clear mechanism that guarantees transparency of information and synchronization of licensing process in REDD+ locations. At the project level, the indicators demand SOP and internal rules that regulate transparency and accountability in the implementation of REDD+ projects, including adequate human capacity.</p> <p>At the criteria level, SIS-REDD+ only demand REDD+ institutional arrangement to “support communication” between stakeholders. The indicators on transparency only demand a clear statement of policy disclosure as well as organization structure, tasks, and function by REDD+ proponents. At the project level, SOP/internal rules on transparency seem stronger than merely a statement because they outline the full mechanism to get and provide information, something that affected communities need. If SIS-REDD+ is the one that is going to be used, the indicators must at least include the progressive elements of PRISAI described above, including an SOP at the project level that mandates provision of information using easy language or format, conducted before project design, equipped with adequate human</p>
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				<p>capacity, and include information regarding safeguards monitoring results.</p> <p>Simplification of license for communities In this good governance principle, PRISAI has an additional element for the government, namely simplification of licencing and administrative process for communities that want to propose a REDD+ project. This issue has not been addressed by SIS-REDD+.</p>
3.	<p>Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.</p>	<p>Principle-1 Clarification of the status of rights to land and territory</p> <p>1.1 Identification and protection of the holders of rights to land and territory and conflict resolution mechanism in areas proposed for REDD+</p> <p>1.2 Recognition of rights to land, territory, and natural resources based on the state law and customary law as well as other local laws</p> <p>1.3 Requirement of free, prior, and informed consent (FPIC) from indigenous people and local communities for every activity that has the potential to affect their rights to land, territory, and natural resources.</p> <p>Principle-5 Respecting and empowering the knowledge and rights of indigenous people and local communities</p>	<p>3. REDD+ activities shall respect indigenous and local communities' rights through actions appropriate to the scale and context of implementation.</p> <p>Tenurial rights identification</p> <p>3.1 REDD+ activities shall include identification of the rights of indigenous and local communities, such as tenure, access to and utilization of forest resources and ecosystem services, with increasing intensity at sub-national and site-level scales</p> <p>FPIC</p> <p>3.2 Applicable at the site level, REDD+ preparation activities shall include a process to obtain the free,</p>	<p>Tenurial rights Both PRISAI and SIS-REDD+ principles and criteria mention clarification of rights, including tenurial rights. SIS-REDD+'s principle offers a blanket respect for indigenous people and local communities' rights while PRISAI's specifically mention rights to land, territory, and natural resources. In the criteria, PRISAI demand identification and protection of rights to land and territory in areas proposed for REDD+, a requirement for government and local government, not only project implementor. If implemented, this will strengthen the government effort to protect and fulfill indigenous people and local community rights. PRISAI criteria also specifically mention recognition of rights to land, territory, and</p>

		<p>5.1 Respecting traditional knowledge and values that are related directly and indirectly to REDD+</p> <p>5.2 Protecting access of communities in REDD+ programs and projects and strengthening access of marginalized communities</p> <p>5.3 Using traditional and local knowledge and values in REDD+ programs and projects</p> <p>Principle-9. Fair benefit-sharing to all relevant stakeholders and rights-holders</p> <p>9.1 Linking positive contributions made by stakeholders in reduction of emissions, storage and sequestration of carbons to benefit-sharing scheme</p> <p>9.2 Transparency of potential profit, risks, and benefit-sharing in REDD+ implementation</p> <p>9.3 Transparent and participatory monitoring of risks and benefit-sharing in REDD+ implementation</p> <p>9.4 Ensuring the status of rights to carbon of all related stakeholders</p>	<p>prior, informed consent of affected indigenous and local communities before REDD+ activities commence.</p> <p>Benefit-sharing</p> <p>3.3 REDD+ activities shall contribute to maintaining or enhancing the social economic wellbeing of indigenous and local communities, by sharing benefit fairly with them, including for the future generations</p> <p>Traditional knowledge</p> <p>3.4 REDD+ activities shall recognize the value of traditional knowledge and compensate for commercial use of such knowledge where appropriate.</p>	<p>natural resources based on customary and local laws. SIS-REDD+ criteria, on the other hand, only refer to identification of rights of indigenous people and local communities but do not explicitly mention their protection or recognition. PRISAI also includes non-eviction indicator.</p> <p>Regarding tenurial rights, PRISAI's indicators are much more specific and comprehensive, entailing a participatory approach to rights identification (including the use of participatory mapping), conflict assessment, a provision that REDD+ is not implemented in areas of conflict, and conflict resolution before and in the process of REDD+ implementation. They also require the government to issue a national policy that recognizes and protect rights, assure that spatial plan protect rights, and mandate REDD+ implementors to facilitate recognition of rights to land.</p> <p>FPIC</p> <p>FPIC are both mentioned by PRISAI and SIS-REDD+, which is a good thing. However, PRISAI's criteria and indicators require consent to be obtained in accordance with UNDRIP standard while SIS-REDD+'s only require 'a process to obtain' FPIC and the indicators only require a "documented process of</p>
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			<p>consultation that demonstrate effort towards obtaining FPIC” meaning that if you can demonstrate there is an effort, although it does not result in consent being given, you will have fulfilled this indicators. FPIC has not been regulated in Indonesia’s laws and regulations but in REDD+ implementation, especially peatland restoration projects by BRG, FPIC has been adopted as a part of safeguards. In order to be effective, FPIC has to be embedded in the safeguards at the project level, but also enacted through regulations at the national level or in REDD+ provinces, such as in Central Sulawesi’s Governor Regulation on FPIC for REDD+ programs.</p> <p><b>Benefit-sharing</b>          In PRISAI, fair benefit-sharing is a full principle (Principle-9) while in SIS-REDD+, it is positioned at criteria level. At the indicators level, SIS-REDD+ has covered a mechanism for fair distribution of benefits that can be demonstrated as well as an indicator that prohibits marginalization of certain communities due to limitation of access and control to natural resources or capital or knowledge. Like other themes, PRISAI is more precise in terms of indicators, covering a requirement for the government to issue a policy or</p>
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				<p>rules regarding benefit-sharing that is participatory, monitoring of benefit-sharing implementation, and complaint mechanism regarding benefit-sharing. PRISAI also covers clarification of rights to carbon, which is not addressed specifically by SIS-REDD+.</p> <p>Traditional knowledge SIS-REDD+ recognizes the value of traditional knowledge and mandates a mechanism for compensating it for commercial value. PRISAI does not specifically mention compensation for the use of traditional knowledge, only a requirement to recognize it, protect community access, and use traditional knowledge in REDD+ programs and projects.</p>
4.	<p>The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of decision 1/CP. 16</p>	<p>Principle-5 Full and effective participation, taking into account gender justice, of all stakeholders related to REDD+ program and project</p> <p>5.1 There is a mechanism that guarantees full and effective participation of all stakeholders related to REDD+ program and project</p> <p>5.2 Identification of all stakeholders related to REDD+ program and project</p>	<p>Principle-4. REDD+ activities shall be based on proactive and transparent identification of relevant stakeholders, and the engagement of them in planning and monitoring processes, with an increasing level of intensity from national level to site level scales</p> <p>Stakeholders identification and engagement</p> <p>4.1 The entity responsible for REDD+ activities will coordinate with appropriate authorities to identify relevant stakeholders, will engage these stakeholders in the planning process,</p>	<p>Participation SIS-REDD+ mandates identification of and engagement with relevant stakeholders in the planning monitoring process of REDD+ ensuring that the process is recognized by stakeholders, which can be demonstrated by documentation regarding the process. PRISAI goes beyond documentation by mandating a guidance for participation at the government and project implementor level. PRISAI also specifically requires recognition and</p>

		<p>5.3 There is an integrated mechanism of monitoring and evaluation of safeguards implementation in REDD+ program and project</p> <p>5.4 Ensuring that recognition and fulfillment of women rights are conducted in REDD+ implementation</p>	<p>and will ensure the process is recognized by stakeholders</p> <p>Grievance mechanism</p> <p>4.2 Applicable at the site level, REDD+ activities include a procedure or mechanisms for resolving grievances and disputes</p>	<p>fulfillment of women rights in REDD+ implementation with gender sensitive and inclusive approach, including specific consultation, gender balance, and capacity building.</p> <p>Affirmative action To ensure full and effective participation, PRISAI mandates the government to issue policies and mechanisms that support communities that want to implement REDD+, including affirmative mechanisms and capacity building design for marginalized communities. SIS-REDD+ does not mention anything about this.</p> <p>Safeguards monitoring and evaluation SIS-REDD+ does not specifically mention monitoring and evaluation of safeguards implementation, something that is really important. PRISAI mandates safeguards implementation to be monitored and evaluated regularly by the government and project proponent and commission of independent review to improve it.</p> <p>Conflic resolution/grievance mechanism Conflict resolution mechanism and evidence that it is functioning is</p>
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				required by SIS-REDD+ at the project level. Meanwhile, PRISAI mandates a conflict resolution mechanism to be in place not only at the project level but also at the government and local government level through issuance of policies. This is PRISAI's attempt to make REDD+ a catalyst for bigger transformation that goes beyond the project level.
5.	<p>Actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of decision 1/CP. 16 are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation for natural forests and their ecosystem services, and to enhance other social and environmental benefits.</p>	<p>Principle-6. Improvement in the conservation of natural forests, biological diversity, and ecosystem services</p> <p>6.1 Develop and improve protection mechanism and sustainable use of biodiversity and ecosystem services in a participatory manner</p> <p>6.2 Protect intact forest landscape and conservation areas and prevent incentives for conversion</p>	<p>Conservation of Biodiversity, Social, and Environmental Services</p> <p>Principle-5. REDD+ activities will include effective strategies that maintain, conserve or restore biodiversity and ecosystem services for social and environmental benefits.</p> <p>Identification of potential impacts</p> <p>5.1 REDD+ activities shall include the identification and assessment of the potential impacts of activities on social and environmental services. Assessments shall be designed in accordance with the scale and intensity of the activities.</p> <p>5.2 REDD+ activities shall include an assessment of the impacts on biodiversity and develop a strategy to implement biodiversity management to ensure its conservation and protection</p>	<p>Definition of natural forests</p> <p>Both PRISAI and SIS-REDD+ mention conservation of biodiversity, social, and environmental services through identification and assessment and development of management strategy. At the indicator level, however, things start to differ. PRISAI mandates protection of intact forest landscape, a nomenclature advocated by NGOs that have not yet been recognized by the government while SIS-REDD+ mandates avoidance of conversion of natural forests <i>as defined by Indonesian government regulations</i>. This difference in definition of natural forests to be protected can mean secondary forests to be left out from protection just like in the case of the moratorium.</p>

6.	Actions to address the risks of reversals	<p>Principle-7. Actions to address the risks of reversals</p> <p>7.1 Limitation of exploitative use of forests and ensuring its consistency with forest protection</p> <p>7.2 Have in place an instrument to monitor emissions and carbon stock</p> <p>7.3 REDD+ implementor has a spatial plan, which strictly regulate use and allocation of areas</p>	<p>Principle-6. REDD+ activities shall seek to reduce risks of reversals through means appropriate to the scale and context, emphasizing sub-national action and national level policy initiatives.</p> <p>6.1 Depending upon the scale and context, REDD+ activities shall define the risks from internal and external threats to carbon stock and forest maintenance, and develop a mitigation plan to address</p> <p>6.2 REDD+ activities shall include periodical monitoring of threats and implement adaptive management to mitigate reversals..</p>	<p>In terms of actions to address the risks of reversals, SIS-REDD+ and PRISAI both mandate a risk assessment and mitigation strategy as well as having in place a monitoring system of carbon stock. PRISAI adds the element of inventory of subsistence activities to protect communities.</p>
7	Actions to reduce displacement of emissions	<p>Principle-8. Actions to reduce displacement of emissions</p> <p>8.1 Identify potential for leakage and develop a road map to address it</p>	<p>7. Recognising that monitoring and reduction of emissions displacement is the responsibility of sub-national (FMU, District, Province) and national government, REDD+ activities shall include strategies to reduce displacement of emissions and support sub-national and national monitoring.</p> <p>7.1 Appropriate to scale and context, REDD+ activities shall include a strategy to reduce emissions displacement within the national boundary.</p> <p>7.2 Appropriate to scale and context, periodic monitoring of forest-related emissions and carbon stock changes in the area of REDD+ activities shall be implemented, and should include monitoring of efforts and results in reducing emission displacement.</p>	<p>PRISAI indicators cover identification of threat and mitigation strategy to reduce leakage as SIS-REDD+ do. However, SIS-REDD+ is more comprehensive in that it mandates monitoring of leakage at the sub-national and national level.</p>

### Important issues in funding instrument discussion

From the analysis above, we can make a list of important issues regarding safeguards to be brought up in the process of designing a funding instrument:

1. The scope of REDD+ activities must be clarified because it determines the scope of safeguards implementation.
2. The mandatory nature of safeguards implementation to access REDD+ finance from the funding instrument (BPD LH) must be affirmed in REDD+ implementing regulations, including in REDD+ funding instrument regulation. This is important because there has been no talks about safeguards in the process of BPD LH development. It could be taken implicitly that safeguards would apply in all phases and activities of REDD+, but this must be made explicit and referred to in all regulations pertaining to REDD+, including the now being developed ministerial regulation on REDD+ implementation procedure and governance structure and modalities of REDD+ Funding Instrument (ministerial regulation on REDD+ funding instrument).
3. The operational regulations for REDD+ and REDD+ funding instrument must specifically mention which safeguards will be used in REDD+ implementation in Indonesia, whether it is PRISAI or SIS-REDD+. By being referenced in these regulations, safeguards will have a legal basis, unlike now where its status is just a policy document.
4. The governance structure for REDD+ funding instrument must also include a governance structure to ensure safeguards implementation, including its monitoring and evaluation. In funding instrument concept note produced by REDD+ Task Force/Agency, there is a structure called "Safeguards Committee" under the funding instrument that will assess project proponent's ability to implement safeguards, carry out monitoring and evaluation of safeguards implementation (which determines payment), and resolve conflicts regarding safeguards implementation. In the current structure of SIS-REDD+, there is no institution responsible to monitor and evaluate safeguards implementation. The available mechanism is only that of information system in the form of SIS-REDD+ website. Where will data be generated and who will validate and verify them? On this note, there should also be a 'shadow report' mechanism in which civil society and communities can submit their own monitoring and evaluation results of safeguards implementation to ensure that safeguards implementation is not just a formality to access funding.
5. With regards to the content of safeguards, if SIS-REDD+ is the one that will be used (as is the more likely scenario), some things must be strengthened:
  - a. Indicators for transparency or information disclosure must include active information disclosure and not just in the form of a statement on information disclosure as in the case of current SIS-REDD+, but also its full instruments of implementation such as SOP and internal rules that are clear in terms of mechanism and complaint process as well as other indicators regarding information disclosure such as information given before project design is determined, given in simple and easy language or format, and gender sensitive, with the inclusion of communication of safeguards monitoring and evaluation results.
  - b. Regarding tenurial rights, SIS-REDD+ must not only mandate identification of rights and rights-holders, but also measures to fully protect and respect such rights, including by facilitating legal recognition of tenurial rights to land, forest, and natural resources.
  - c. SIS-REDD+ must include non-eviction indicator.

- d. Regarding FPIC, SIS-REDD+ indicator must go beyond including and demonstrating a process to obtain FPIC, it must require the consent to be obtained before any REDD+ program or project is carried out in accordance with UNDRIP standard and existing guidances.
- e. There should be a guidance for stakeholder engagement or participation in REDD+ process to avoid business as usual practices where 2-3 stakeholder workshops are qualified as meaningful participation.
- f. SIS REDD+ of BPDH modalities must include affirmative actions, including simplification of licensing process for communities that want to implement REDD+ and capacity building.
- g. Grievance mechanism must not only be established at the site level, but at all levels and BPDH modalities must have clear reference of governance structure for this.
- h. Regarding protection of natural forests, there should be an effort to go beyond national laws that currently do not have enough protection for secondary forests by incorporating protection of intact forest landscape (IFL).
- i. Regarding benefit sharing, there must be a regulation or policy that mandates it being designed based on participatory approach as well as a mechanism to monitor and evaluate benefit-sharing schemes, including a mechanism to process complaints regarding this.

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