



**HUMANE SOCIETY
INTERNATIONAL**



Submission to the Australian Government REDD+ Fast Start Funding & NGO Engagement

March 2011

This submission on behalf of Australian Orangutan Project, Humane Society International, Australian Climate Justice Program and The Wilderness Society addresses:

1. Areas of focus for REDD+ fast start funding, and
2. Scope for engagement by non government organisations.

We understand that Australia has allocated an additional \$32 million towards fast start for REDD+ in Indonesia, under the Indonesia-Australia Forest Carbon Partnership and there remains an unallocated amount of \$45 million in International Forest Carbon Initiative funds.

We agree with the strong emphasis of Australia on efforts in Indonesia due to the important bilateral relationship with our close neighbour, the significant ongoing loss of natural forests, the degradation and deforestation of carbon rich peatland forests such as in the provinces of Kalimantan, and the loss of important biodiversity that comes with these activities, together with the potential for positive governance developments arising from the current political climate in Indonesia including potential to address the issues associated with corruption, good governance, and coordination of the forest sector. Nonetheless, the framework of Australia's REDD+ fast start activity should be within Australia's primary sphere of interest, incorporating Papua New Guinea, Pacific Islands and Indian Ocean rim countries, including the Middle East.

REDD, REDD+, Carbon and Other Values

In focusing on REDD elements rather than the 'plus', Australia should (i) look for the big carbon gains to be made by keeping those natural forest areas that are left and restoring those that are restorable, and (ii) go for those places where biodiversity opportunities are great.

All efforts undertaken concerning the implementation of REDD+ should foster an ecosystems services approach so that the multiple benefits that can be obtained from a REDD project are able to be extended and institutional arrangements are constructed to cater for provision of services additional to carbon, especially biodiversity and water. Additional funding from other sources may complement that available for carbon, although it is also vital that the biodiversity and ecosystem services safeguard is given proper emphasis within REDD+ implementation. It is critical to undertake all work having regard to carbon as a primary driver but not the sole driver for identification and implementation of projects. In going for REDD and not REDD+ we take it that Australia will actively stay away from plantation establishment and conversion, and from funding of logging activity (which is emissive), instead engaging in restoration and permanence of natural forests.

Further, as raised at the meeting on 12 February 2011 in Canberra, provision of more detailed and comprehensive information as to the work already undertaken in Kalimantan would be of great assistance in making submissions of this nature. There has been a lack transparency in both Australia and Indonesia in terms of the provision of monies distributed and activity undertaken thus far. Non-Governmental organisations will be able to make a more informed contribution on detailed aspects when we are better informed.

In approaching the implementation of REDD+, wide consultation, free prior and informed consent with full and effective participation of indigenous and local peoples and strong, robust and transparent governance are of the highest importance. The following section outlines key areas of priority and emphasis for distribution of funds.

Improved consultation and Engagement with local people

Local organisations in Indonesia have complained about deficiencies in the extent of consultation and education being provided around the Kalimantan project¹. This should be rectified at all costs. Wider stakeholder participation, with emphasis on local people and small local organisations who are active in the relevant areas and on providing for activities to build upon any existing initiatives, should be a priority for ongoing demonstration project work. REDD+ must improve the livelihoods of indigenous peoples and local communities by providing them with alternative options.

To date it would appear that the emphasis has been to work with large international organisations. This has created a form of top down approach within civil society itself, which has proved to be exclusive and create division and mistrust amongst people in small communities. It can give rise to employment being provided to people from outside the local community as opposed to training and education of the people in the community. Small local based conservation groups exist throughout Indonesia and should be more explicitly engaged because their 'on the ground' and local experience can add significant value to demonstration projects.

Prioritise implementation of safeguards

REDD+ is to be implemented in phases, beginning with the start up phase. The incorporation of planning and capacity building for implementation of robust safeguards should occur from the beginning, including during the design and implementation of REDD+ fast start. It should be of the highest priority to ensure that significant resources and efforts are directed towards implementation of all the safeguards, as this will provide increased investor and stakeholder confidence. In doing so, the difficulties associated with safeguards implementation will need to be identified and analysed. Converting safeguards from being mere words on paper into coherent operational procedures in the form of management plans and legislation at National, District and Local levels will be necessary.

Biodiversity and Ecosystem Services

These safeguards are necessary to ensure that forests are understood and treated as more than just carbon stores. However this is also to ensure that in the case of biodiversity the strong relationship between biodiversity, ecosystem productivity and carbon storage is recognised, along with the contribution of maintaining robust natural ecosystems to resilience in the face of climate

¹ Yayasan Petak Danum letter to Australian Delegation to Central Kalimantan re KFCP, February 2011;

change. Relevant decisions of the CBD COP in Nagoya last October, to which Australia is a Party, should be adhered to².

Governance – Land tenure

Forest governance is central to building the necessary foundations for REDD+, for the purposes of tackling corruption and illegality. A strong governance regime requires: clear and coherent policy, legal, institutional and regulatory frameworks (establishing clear rules); effective implementation (enforcement and compliance with the rules); and transparency and accountable decision-making and institutions.

At the earliest stage it is critical to resolve land tenure and carbon rights issues equitably. Land tenure should be resolved as a high priority and as a part of the fast start package and done so with the engagement of all relevant stakeholders, particularly indigenous peoples and local communities.

Monitoring and Reporting – development of a system to provide information

REDD+ requires the establishment of a robust monitoring system, that includes participatory independent monitoring to monitor the implementation of the safeguards, along with monitoring of emissions and removals. Paragraph 71(d) of the Cancun Agreement³ requests that developing country Parties aiming to undertake REDD+ activities develop a system for providing information on how the safeguards are being addressed and respected. Such a system should:

1. be part of an integrated REDD+ monitoring system that meets the requirements of paragraphs 71 (c) and 71 (d) of the Cancun Agreement;
2. be based on reliable information from effective national governance, social and environmental safeguard monitoring systems that are incorporated into national strategies and action plans and involve stakeholders, indigenous peoples and local communities, with full support provided to LDCs for their development;
3. as part of enhanced reporting requirements for developing country parties under paragraph 60 of the Cancun Agreement, include a requirement for such countries to report in national communications and biennial update reports on how REDD+ safeguards are addressed and respected, with the provision of support to LDCs;
4. include a provision for developed country parties to report in their biennial reports on how REDD+ safeguards are addressed and respected as part of the information provided on financial, technology and capacity building support; and
5. include the review of how REDD+ safeguards are addressed and respected in the enhanced guidelines under paragraph 42 of the Cancun Agreement, for the review of information in national communications provided by developed country parties on the provision of financial, technology and capacity building support.

² CBD COP 10 Decisions: on Biodiversity and Climate, and on Protected Areas and Climate;

³ Paragraph numbers refer to paragraphs in the advance unedited version of Draft Decision -/CP.16 (the outcome of the work of the AWG-LCA);

Opportunities to trial systems for monitoring should be implemented which can then be reported back into the process through forums such as the REDD+ partnership.

Identifying drivers of deforestation and degradation

Particular emphasis has been placed on the identification of the drivers of deforestation and forest degradation both in the UNFCCC forum as well as under the REDD+ Partnership. While some of the dynamics that drive deforestation and forest degradation must be resolved at a national level, others are inherently international in scope. Without consumer countries' commitment to take actions that will reduce demand for food, fuel and fibre, help increase land-use efficiency and productivity, and send market signals that incentivize legal and forest-conserving production practices, there is little hope of tackling forest destruction in a coherent way. International drivers are a major concern for the success of REDD+.

If REDD+ programs are going to be successful, a fundamental element of readiness activities must involve an accurate assessment of the diverse pressures on forests in a REDD+ country that are leading to deforestation and forest degradation and development of ways to address them. To be fully effective, this must include both domestic and international drivers and be addressed in country and in Australia.

Increased support to Indonesia to implement an effective moratorium

Specifically in relation to addressing drivers in Indonesia, it is imperative that Australia work with the Indonesian government to rescind existing concessions in carbon rich forests and peatlands and impose an effective moratorium on future conversion and logging concessions in natural forests whilst providing incentives to protect forests and to support low carbon development opportunities.

The two year moratorium on logging announced in May 2010, pursuant to the Norway-Indonesia Partnership and expected to commence in January 2011 was delayed by the Indonesian Government. Now that Australia has joined that Partnership, the Australian Government should collaborate and support the Indonesian Presidency in its joint effort with Norway to facilitate an effective moratorium *as a matter of urgency* to prevent the granting of any new logging, plantation, and mining permits on primary and secondary forest lands. It is important that the moratorium is not restricted in its application to primary forests that already have protected status, as this will be ineffective for reducing emissions. In the absence of an effective moratorium, the contribution of projects such as the KFCP will be dramatically overwhelmed.

Improved Transparency

Both donor and recipient countries must ensure fiscal transparency. Improved education and distribution of information is required in the areas where demonstration projects are being undertaken. Concerns have been expressed by people in Kalimantan that people do not understand what REDD+ is, nor on what basis and to whom financial returns may arise, leading to unrealistic expectations and misunderstandings.

Transparency and expectation management is key to gaining trust and establishing strong long term working relationships with small communities so that the realities of the funding and distribution of finances is understood.

Comparative advantage of different non Government organisations in assisting developing countries respond to climate change?

Non Government Organisations available and interested in working with the government on REDD+ implementation have diverse areas of specialisation in policy and in project development and delivery which can be obtained for a lower cost and potentially greater levels of expertise and efficiency than contracting with consultants or undertaking the work within Government.

NGOs active on REDD+ focus on a range of issues including governance (MRV, independent monitoring and development of a REDD+ system for provision of information), conservation (biodiversity safeguards and outcomes and focus on important species), human rights (consultation and liaison, education and respecting indigenous rights), legal issues (MRV, compliance and land tenure) and drivers of deforestation and degradation. Obtaining input from this diversity of expertise and having consideration to inclusion of their views is likely to add value and credit to projects that are undertaken.

Opportunity to input to projects at an early stage of their development can avoid conflict, mistakes, political or public argument, costs, and the possibility of legal challenges.

NGO's have well established and long term, strong relationships and partnerships across many countries including Australia and Indonesia, for example. Building on such existing initiatives will reduce costs and assist greatly in terms of establishing trust, resolving disputes, disseminating information and providing local education. Trust between governments and non Government stakeholders is critical to the success of REDD+.

What is the best way for the Australian Government to take advantage of these capabilities?

The best way for the Australian Government to take advantage of these capabilities is to engage with and consult specialist non government organisations (large and small) and indigenous peoples on a more regular basis, and to allocate funding where appropriate to facilitate such interaction. It cannot continue to be a case whereby larger international NGOs are the sole recipients of support and funding, as this alienates smaller organisations and gives rise to fragmentation and distrust within communities.

It is important that small local organisations in Indonesia and other countries where Australia invests in REDD+ are supported and included in work being undertaken. Provision of funding to these organisations should be to support education efforts, travel to REDD+ Partnership and UNFCCC meetings, and to assist with monitoring and provision of information from local and indigenous organisations which have strong 'on the ground' networks and expertise.

A critical opportunity for Australia in seeking such engagement is to clearly articulate its interest in focusing on the 'REDD' component of 'REDD+'. Most of the community concerns raised to date relate to the potential harm of activities legitimised by perverse interpretation of some of the 'plus' bit of REDD+ ('enhancement of sinks' potentially including conversion of even slightly degraded natural forest to plantations and 'sustainable management of forests' being interpreted to embrace still emissive partial logging of previously intact forest). Such selectivity is thus serving to position Australia nicely to build strong stakeholder support for its involvement not only on the ground in Indonesia and other countries but also back home in Australia.