

Indonesia, like Brazil, is on the front line of efforts to curb deforestation that is a major contributor to mankind's greenhouse gas emissions that scientists blame for heating up the planet.

Australia and Indonesia are major supporters of a U.N.- backed scheme that could potentially channel billions of dollars to developing nations that preserve and enhance their forests.

Called reducing emissions from deforestation and degradation (REDD), developing countries would earn money from carbon credits sourced from forest preservation projects by selling them to rich nations that must meet mandated emission reduction targets.

The U.N. hopes the scheme will start from 2013 as part of a broader climate pact to succeed the existing Kyoto Protocol.

Under the Sumatra Forest Carbon Partnership, the money will be used to develop a project that will address the causes of deforestation in Jambi and to help rehabilitate deforested or degraded land.

Jambi, covering an area larger than the Netherlands, has lost more than two-thirds of its forests to illegal loggers, slash-and-burn farming as well as palm oil and pulp plantations. Fires are common, releasing large amounts of greenhouse gases.

According to a statement from Australian Climate Change Minister Penny Wong, officials have yet to pin-point the exact location for the project but it is likely to cover a variety of forest concession types.

Central design themes will be developing alternative livelihood and incentive payment schemes for local communities, such as switching to different cash crops, to drive long-term efforts to keep trees standing.

The project comes after Indonesia and Australia launched a related scheme in 2008 to rehabilitate 100,000 ha (250,000 acres) of carbon-rich peat land in Central Kalimantan on Borneo island. [ID:nSP124023]

Half the area has been cleared and half is still forested but under threat unless alternative livelihoods are found for the 20,000 people living in and around the project area. Australia has pledged A\$30 million to fund this project until 2012.

The Kalimantan and Sumatra projects are designed to help Indonesia and Australia learn how to design REDD programmes to prepare for future international trading of forest carbon offsets. Each offset would represent a tonne of CO2-equivalent saved from being emitted.

REDD itself is complicated because projects must prove they are reducing emissions over time, preserve and enhance an area of forest or lead to it being replanted, ensure deforestation isn't driven off to another area and rewards local communities.

A major concern, though, is that Indonesian President Susilo Bambang Yudhoyono has signed a decree allowing mining, power plants and other development in protected forests if the projects are deemed strategically important. [ID:nJAK85836]

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