

REDD stands for “reducing emissions from deforestation and forest degradation”. REDD+, however, incorporates carbon emission reductions from conservation, sustainable forest management and enhancement of carbon stocks through reforestation.

The current letter of intent (LoI) between Indonesia and Norway states that their climate change partnership is focused on “REDD+”, but the province hosting the pilot project “must have large undisturbed tracts of rainforest, and professionally documented plans for forestry intentions and other projects that may cause environmental degradation”.

The initial LoI did not include compensation for tree planting efforts, although the United Nations REDD+ interpretation does recompense some reforestation endeavors.

Negotiators representing the two countries are slated to meet in Jakarta from Aug. 18-19 to discuss implementation of the proposed climate partnership. The Indonesian negotiating team will be led by Kuntoro Mangkusubroto, a former Energy and Mineral Resources Minister and the acting chief of the Presidential Work Unit for Development Monitoring and Control (UKP4).

“Companies can also play a role in decreasing emissions by planting trees on degraded land, and therefore should be eligible for funds from Norway,” Hadi said.

The government launched a program to plant 1 billion trees this year, and has invited private sector participation.

Negotiators from Indonesia and Norway would verify details of the forestry moratorium, Wandojo Siswanto, head of the climate change working group at the Forestry Ministry, said.

“We want to elaborate the terms of a forestry moratorium because the LoI could be dangerous for the Indonesian economy,” Wandojo said.

President Susilo Bambang Yudhoyono signed the LoI with Norway in May, after which the government issued a moratorium on natural forest and peat land conversions.

The 1997 Forest Law does not recognize natural forestland.

“We need to have the same understanding of the term ‘natural forest’, and stipulate whether it only covers primary forests, or also production forestland,” Wandojo said.

The moratorium on peat land should also be clarified because many plantation activities have been transferred to residents living in settlements located in peat land areas, Wandojo added.

Greenpeace Indonesia Activists and the Indonesian Environment Forum (Walhi) have proposed a land swap system for companies that have secured permits to operate in peat land areas.

The idea has been criticized because most carbon credits for companies would be extended by local banks, Hadi said.

“Costs associated with the land swap concept are too high. Local banks providing plantation credits could collapse, including giants like Bank Mandiri and Bank Negara Indonesia (BNI)” Hadi said.

Hadi estimated that there were at least 30 new industrial forest concessions (HTI) and plantation estates that have secured permits to operate in peat land areas.