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## Session 1 Keynote Speech – Q&A Session

### Q&A Session

(Q1: Dr. Kubo) Thank you, William, for your inspiring discussions all the time. I am really impressed with your comments. I just want to deal with your open questions to understand the financing required to support the REDD+. Let me distinguish between investment project and policy and measures. For investment projects, yes, we definitely need a certain scale to attract the private sector engagement. In terms of the policy and measures, it really depends to what extent we can effectively implement the policy and the measures. To address deforestation and degradation, the significance of policy and measures cannot be ignored. Actually, REDD+ is supporting the acceleration of the implementation of the policy and measures.

For example, in the context of Indonesia, there is a government policy of legalizing the customary tenure. Under the framework of REDD+, now the indigenous communities and the government are working together. Last December, the indigenous communities, the network of these groups, they submitted 4.8 million hectares of the forest that are under the management of the customary communities together with 517 maps. Based on their research, altogether 40 million hectares are under customary management. Therefore, if the government really legalized these 40 million hectares of land under customary tenure and endorses their authority over sustainable forest management, the risk against deforestation is significantly reduced. At the moment, because of the lack of a legal framework, these lands are assigned for such use as oil palm plantations and other development purposes.

Therefore, this risk of deforestation would be mitigated if these policies and measures are implemented.

My point is not really question, but my discussion to you is that, yes, investment projects are required to engage the private sector. That engagement of the private sector is really pushing the process of the REDD+ to advance. This is really important in a sense as well. At the same time, we need to look at how effectively these policies and measures are implemented to address the deforestation and degradation. That is my comment.

(Dr. Sunderlin) I think Indonesia has made remarkable strides in laying the appropriate groundwork for REDD+, yet there is just an enormous distance to cover. Undoubtedly, investments are going to be part of the picture and this comes out very clearly in our research on the ground. Yet these investments on the ground are not going to bear fruit unless there are, not just strong policies and measures, but really quite strong ones.

In Indonesia, more so than any country that we are working, we find that the need for local stakeholders to be able to legally and effectively exclude outside claimants on the forest intended to be

protected through REDD+ stands out. This is because, at every single one of our research sites, there are oil palm claims inside the REDD+ boundaries that are an active source of controversy and contestation between the REDD+ proponent organization, the government, and the companies.

For this reason, in Indonesia, the focus of REDD+ is very strongly on tenure and to try to find legal instruments for excluding these external claimants. One is called village forestry and in Indonesia it is called Hutan Desa. Another major instrument is called ecosystem restoration concessions that we find at Rimba Raya, Katingan, and a couple of other projects. However, there had been tremendous difficulties in implementing Hutan Desa and the ERCs. The government needs to find a way to be more supportive of these instruments for legitimizing a form of tenure that would make tenure secure within REDD+.

The constitutional court decision 35 that legalizes customary tenure is a tremendous step forward that, in one decision, has turned Indonesia from one of the outliers in the tenure situation with a very, very small fraction of the formal forest estate coming under the control of communities and indigenous organization, to potentially one of the strongest. I underscore the word 'but' because there have been tremendous difficulties in moving from the constitutional court decision to actually having it mean something on the ground. AMAN, the organization you are referring to has had difficulties. They retain some hope. It remains to be seen under the new presidency whether this policy is going to get traction or not.

And I will just say, incidentally, that another important example of a big step forward (but I am wondering whether is it really a step forward or not) is the Indonesian Forest Moratorium that was launched three years ago under President Susilo Bambang Yudhoyono. Ambitious in scope, it was in pretty short order restricted in terms of the amount of lands that would fall under this moratorium. Almost all secondary forests were excluded under the reasoning that it was important to preserve the option of converting these forests for food etcetera. Critical reports have been written about this. My own take on it is that the fact that these were automatically excluded is testimony to the enduring power of what we call the 'business as usual interests'. Scientifically defined, those are the political and economic interests in a given country that are tied to the conversion of forest to non-forest uses. Those remain very strong in Indonesia.

(Q2) In your presentation, you talked about the donor of the fund and also that REDD+ may have some gaps. The fund donor may only be interested in the reduction of deforestation. However, REDD+ may say that they are doing more activities. REDD+ might ask why they do not understand this. The fund donor, as a matter of fact, is raising funds for what purpose? It is for climate change. Even if REDD+ pushes other causes, it may not be impactful to the donors. Safeguards and also the human rights, why REDD+ is saying that is not to increase the fundraising, but rather it is a negative checklist. Since these activities are done, it has an impact. Unless the REDD+ says we are not asking

to raise funds, we are talking about the rise, so I think maybe there with a conflict of interest between the two.

(Dr. Sunderlin) That is another excellent question. Your point was in response to my claim about, within the private sector, the carbon brokers are mainly interested in reduced deforestation and reduced greenhouse gas emissions and are much less interested in the wider variety of other things that REDD+ is promising.

My point of view is this: I think that the carbon brokers would do well to catch up on their understanding of what is happening in REDD+, how it is changing, and recognize crucially this point: this wide array of co-benefits I would claim are instrumental for REDD+ for fulfilling its promise to reduce greenhouse gas emissions. In other words, the conditional payments that are being made are not, to my knowledge, being aimed at providing a reward above and beyond what is needed to compensate opportunity costs. In some cases, precisely because the price of carbon is low, REDD+ proponents are struggling to produce a sufficient stream of income to compensate those opportunity costs. This is one crucial point.

Another goes to the point I am raising about tenure. Tenure is absolutely central in REDD+. It is one of the co-benefits that every single proponent on planet earth recognizes, but many people outside of the realm of REDD+ do not, is that really the first step is to clarify and strengthen local tenure as a co-benefit for a wide range of reasons that I will not specify right now. However, it is outside of the realm of finances, it is a co-benefit, and it is absolutely necessary as a measure to have REDD+ fulfill its objective of protecting forests.

**DAY2**  
**Session 1**

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