



ASEAN Peatland Forests Project (APFP)

Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia



Workshop on Options for Carbon Financing to Support Peatland Management

Riau, Sumatera, Indonesia

4-6 October 2010



Summary Report and Recommendations

The Workshop on Options for Carbon Financing to Support Peatland Management was held in Pekanbaru, Indonesia on 4-6 October 2010. It was attended by more than 100 representatives from government agencies, research institutions, the private sector and NGOs from 14 countries mainly from the ASEAN region. It was organised by the ASEAN Secretariat and the Global Environment Centre (as the Regional Project Executing Agency) in partnership with the Ministry of Environment of the Government of Indonesia and the Provincial Environment Board of Riau Province. It was held to support the implementation of the ASEAN Peatland Management Strategy (2006-2020) as part of the ASEAN Peatland Forests Project (APFP) and was supported by the International Fund for Agriculture Development (IFAD)/ the Global Environment Facility (GEF). The meeting was officiated by representatives of the Minister of Environment in Indonesia and the Governor of Riau Province.

Expert presentations and working groups focused on policies and opportunities related to carbon financing for peatlands; experiences and case studies of developing carbon finance projects; and methodologies for assessment of carbon emissions and stocks.



Important results of discussions were:

1. Peatlands in Southeast Asia store more than 50 billion tonnes of carbon – more than double the estimated biomass of the forests in the region. Peatland forests store up to 10 times more carbon per ha than other tropical forest types.
2. Degradation and fire in peatlands in Southeast Asia release up to 1.5 billion tonnes of CO₂e per year or approximately 15-20% of global emissions from land use change. This makes peatlands in Southeast Asia a priority area for actions to reduce global climate change.
3. Fire prevention and good management of peatlands will not only reduce emissions but will also create other benefits for biodiversity conservation, water resource management and community livelihood.
4. Carbon financing is a new and important mechanism to generate resources to support sustainable peatland management and provide incentives to reduce peatland degradation.
5. There has been significant progress in carbon finance for peatlands with the first approved VCS methodology on REDD being specifically for peatlands and a number of peatland REDD projects being finalized.
6. There are still some uncertainties in international negotiations with a need for international collaboration to support inclusion of peat through the negotiation process.
7. Basic methodologies and approaches for assessing carbon stocks and emissions and determining emission reductions to generate carbon finance are available but refinements are needed.
8. Good progress has been made in Riau Province in the development of different models for peatland management and carbon finance with active involvement of local government, the private sector, as well as peatland and carbon experts.
9. Constraints to the development of carbon finance in the region include lack of clear carbon finance regulations and mechanisms at national level, unclear mandates and jurisdiction among agencies, uncertainty over benefit sharing and poor capacity among different stakeholders.

The workshop called for relevant agencies, the private sector, research institutions and CSOs with support from donors, project developers and investors to strengthen efforts to maintain the carbon stock of peatlands and minimize emissions as appropriate and develop carbon financing options for peatlands in the ASEAN region.

WORKSHOP RECOMMENDATIONS

1. The importance of peatlands should be emphasized in international negotiations on climate change through development of policy papers and enhanced use of the ASEAN Working Groups and other mechanisms related to forests, environment and climate.
2. ASEAN Member States should work to enhance implementation of the ASEAN Peatland Management Strategy (2006-2020) in particular the aspects related to integrated management of peatlands and climate change.
3. Each ASEAN Member State with significant peatlands should explore the option to develop peatland carbon projects through establishment of pilot sites (including APFP Pilot sites) and setting up appropriate legal and institutional arrangements.
4. Capacity of stakeholders for peatland carbon finance should be built through measures including development of manuals and training materials for carbon finance in peatlands and organization of regular meetings and workshops.
5. A regional network and directory of peatland pilot sites for testing and training on peatland carbon finance should be established together with an experience sharing network.
6. Methodologies for assessing peatland carbon stocks and tracking the impact of peatland carbon projects should be developed further, together with guidance on their use.
7. Further research should be undertaken to enhance understanding and undertake longer- term monitoring of peatland carbon stocks and emissions.
8. A pilot programme on peatland finance should be established in Riau Province to test and compare different options for peatland carbon finance.
9. A funding mechanism should be established to generate funds to support peatland management and develop peatland carbon projects and provide incentives to the private sector to develop peatland carbon projects such as tax deductions or grants.
10. Ensure that benefits from peatland carbon projects reach local communities and other key stakeholders.

Additional specific recommendations were made by working groups on the following topics: Policy and Regional Cooperation; Enhancing Methodology; and Development of Carbon Finance Projects.



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