

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099721
Printed On: 11/13/2019

Reporting Period: 07/01/2018 to 06/30/2019
Report Type: Progress Report
Report Status: Approved

Assignment: TF099721

Indonesia - FCPF Readiness Preparation Grant FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000176411 - Dinesh Aryal
Approving Manager: 00000235980 - Ann Jeannette Glauber

Summary Information	
TF Status	ACTV
Recipient Country	Indonesia
Executed By	Recipient
Managing Unit	9269 - SEAE1
Grant Start Date / End Date	06/10/2011 to 05/31/2020
Original Grant Amount	3,196,428.00
Grant Amount	8,196,428.00
Outstanding Commitments	0.00
Cumulative Disbursements	5,312,714.05 as of 06/30/2019
Disbursed 07/01/2018 to 06/30/2019	1,268,736.78
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The Development Objective of this grant is to contribute to the development of Indonesia's capacity to design a sound national REDD+ strategy, develop national and sub-national reference scenarios and establish a forest monitoring and carbon accounting system, consistent with local, regional and national conditions and circumstances

Overall progress from 07/01/2018 to 06/30/2019 with regard to Achieving Grant Objectives:

Comment:

The implementation of FCPF Readiness Project has continued to show progress in key areas toward achieving project development objective. As Indonesia is currently preparing two large-scale provincial Emission Reduction (ER) programs in East Kalimantan Province (to be supported by FCPF Carbon Fund or FCPF CF) and Jambi Province (to be supported by BioCarbon Fund Initiative for Sustainable Forest Landscapes or BioCF ISFL), the Additional Financing of FCPF Readiness Grant (AF; US\$ 5m) has contributed to the completion of the national REDD+ framework that is necessary to support REDD+ implementation (such as national Monitoring Reporting and Verification (MRV) system, registry system, National Forest Monitoring System (NFMS), Forest Reference Emission Level (FREL), financial instrument, benefit sharing mechanism (BSM) and safeguards instruments), and the operationalization/testing of these frameworks at the subnational level, with a particular focus on East Kalimantan. The AF has also contributed to strengthen capacities of relevant institutions and stakeholders in the implementation of REDD+ project on various readiness issues, including stakeholder engagement both at national and subnational levels. The focus in FY19 shifted strongly towards the preparation of the jurisdictional REDD+ program in East Kalimantan. As a result, this increased the need to coordinate work streams at the national and sub-national level and hold frequent consultations and technical meetings to advance program preparation. This amounted to higher transaction costs compared to the activities funded by the grant previously.

Significant progress has been made by the Gol and the Regional Council on Climate Change (DDPI # the responsible agency appointed to coordinate FCPF Carbon Fund preparation processes in East Kalimantan Province) - in advancing the preparation of an ER-PD. The Gol, represented by the Ministry of Environment and Forestry (MoEF) successfully presented an Emission Reduction Program Document (ER-PD) for East Kalimantan ER Program, at the nineteenth meeting of FCPF Carbon Fund (CF19) in February 2019. At that meeting, the program was provisionally selected by Carbon Fund Participants (CFPs) subject to requested final revision. The CFP's comments required technical revisions on the Reference Level related to degradation, peat decomposition and fires. Following a final technical assessment of the revised final ER-PD by the FCPF Technical Advisory Panel (TAP), the program was formally included in the portfolio of the Carbon Fund on June 18, 2019 (on a no-objection basis provided by the CF19 resolution). With this formal decision, the focus was primary on final preparation for the signing of Emission Reduction Payment Agreement (ERPA), which is to be negotiated between the Program Entity authorized by the Gol (currently designated to MoEF) and the Fund Management Team (FMT) of the FCPF Carbon Fund.

Overall progress from 07/01/2018 to 06/30/2019 with regard to Implementation of Grant Financed Activities:

Comment:

The overall implementation of REDD+ Readiness activities has made progress, advancing with the preparation of two ER programs in East Kalimantan and Jambi Province. During FY19, the MoEF has implemented activities as agreed in the Annual Work Plan (AWP), including among others: i) technical assistance and capacity building to link and internalize the aspects of FCPF Methodological Framework (e.g. carbon accounting, safeguards, monitoring and reporting) between subnational and national levels; ii) redesigning of the registry system on REDD+ to meet the need of East Kalimantan ER Program and testing of its operability; iii) development and integration of data management and institutional arrangements (e.g. linking data management system with the existing national system, establishment of data management protocol); iv) capacity building for subnational institutions on reporting, data entry and management, QA/QC, etc.; v) technical assistance on improvement of a Reference Level at the provincial level to increase quality and accuracy of historical emission estimates and its relevance to the national FREL.

The Project continued to experience a slow disbursement, which mainly resulted from slow implementation of planned activities at the provincial level due to, among others, administrative issues in the cooperation arrangement between the Implementing Agencies (FOERDIA and DG-CC - as the budget holders) and provincial government and the ability to execute these activities due to limited capacity (human resources) of the Implementing Agencies. As of June 2019, the total

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expenditures of the Readiness Grant were US\$ 5.01 million, of a total combined grant of US\$ 8.2 million (1st Readiness Grant of US\$ 3.196 million and Additional Funding of US\$ 5 million), which ends in November 2019. By the closing date, the GoI would likely to spend total amount of US\$ 3.21 million, with the remaining unspent grant resources of US\$ 1.79. Unless extended, the termination of the grant in November would affect readiness of the national and subnational government to enter into negotiation and early implementation phase of the ER Program. As such, the GoI has expressed its interest to extend the Closing Date of Readiness Grant to continue implementing the remaining activities.

At the time of reporting, the FMT has confirmed that the Bank can respond to the GoI request for an extension to the Readiness Grant until December 2020. As such, the GoI would proceed with necessary internal processes and consultation with other ministries (BAPPENAS and MOF).

The GoI has made progress in the finalization of safeguards instruments (Strategic Environmental and Social Assessment (SESA), Environmental and Social Management Framework (ESMF), Resettlement Policy Framework/Process Framework (RPF/PF), Framework Grievance Redress Mechanism (FGRM), and Indigenous Peoples Planning Framework (IPPF). Public consultations have been carried out in May 2019 at the national, provincial and district levels, led by the MoEF and DDPI and participated by representatives of relevant local government agencies, non-governmental organization (NGOs), academia and private sectors (concessionaires and associations). Similarly, BSP is also at final stage of completion. Public consultation for the first draft BSP was held in July 2019.

Another notable progress made by the East Kalimantan Province include revision of stakeholder mapping, preparation of Free Prior Informed Consent (FPIC) in the province and districts and 150 priority villages identified as climate villages (Program kampung Iklim/Proklam), preparation of draft Governor Regulation on BSM, integration of FCPF supported activities into 2018-2023 Mid-Term Development Plan and Regional Officials Organization (OPD#s) strategic plan, and involvement of relevant stakeholders including private sectors in the program through Green Growth Compact (GGC) strategy as a non-binding agreement to accelerate the achievement of East Kalimantan Green (Green KALTIM).

Grant follow-up and structure

Description and context of Grant:

The Project Development Objective (PDO) is to contribute to the development of Indonesia's capacity to design a sound national REDD+ strategy, develop national and sub-national reference scenarios, and establish a forest monitoring and carbon accounting system, all consistent with local, regional and national conditions and circumstances. The Project is national in scope and contributes financing for capacity building, research, and information dissemination for supporting the national REDD+ framework. The Additional Financing (AF) of Readiness Preparation Grant helps finance activities for Indonesia to be able to achieve REDD+ Readiness for full implementation of emission reduction program, with a stronger focus on sub-national levels of governance and institutional capacity. The AF Grant supports: 1) Indonesia designing REDD+ architecture at the sub-national level, with a special focus on East Kalimantan, consistent with the national REDD+ framework; 2) finalization of the few remaining requirements for national REDD+ Readiness; and 3) design of sub-national results-based payment pilot programs.

Expected follow up (if any): Follow up Bank project/loan/credit/grant

Comment on follow up:

The FCPF Readiness Grant has been supporting readiness activities since 2011, as part of the Government's overall readiness process at the national level, that is and has been supported by significant state budget (APBN) as well as those from other development partners. The Readiness Grant also supported the necessary enabling environment (such as among others, institutional capacities, required systems, regulations, etc.) at the subnational level to support the implementation of a large-scale ER Program with primary focus in East Kalimantan Province. Since Indonesia was selected as a pilot country to be supported by BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL), Readiness Grant has also been supporting Jambi Province particularly on activities related to national facilitation and institutional capacities at subnational level. Jambi Province benefited from the readiness preparation at the national level (e.g. MRV/NFMS system, registry system, financing instrument, and technical analysis on MRV, FREL, country's ability for ER title transfer, BSM, safeguards instruments) that the GoI initiated to support the implementation of ER Program in East Kalimantan, as the first large-scale jurisdictional REDD+ program in Indonesia.

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End Date of Last Site Visit:

Restructuring of Grant:

No restructuring is considered. However, as a result of grant restructuring in November 2016 which provided US\$5 million additional funding, the FCPF Readiness Fund is also supporting the REDD+ readiness in subnational level including capacity building activities in East Kalimantan and Jambi, and the development of ER Program in East Kalimantan.

OUTCOME

Comments on outcome achieved from 07/01/2018 to 06/30/2019

Since the inception of the Readiness Preparation Project in 2011 (supported by the FCPF Readiness Grant), the Project has made important contributions to advancing the REDD+ Readiness progress in Indonesia. Despite the political process and institutional changes within the MoEF in 2014, the project has managed to contribute to the national readiness process, providing technical inputs to the development of the REDD+ implementation framework (e.g. FREL, MRV/NFMS, registry system, safeguards instruments, financing instrument, and benefit sharing mechanism) and building capacities at both national, but particularly, sub-national level to implement REDD+ activities. While further improvement of key REDD+ readiness aspects are still needed, namely completion of reference scenarios, MRV system, benefit sharing mechanism and financing instrument, and safeguards, there has been important progress in terms of upstream analytical work in support of its development including consultation processes. The Project is further supporting the national and subnational government how to operationalize such systems and link those systems to subnational level.

Capacity building activities on various REDD+ readiness aspects, conducted in close collaboration with multiple stakeholders at national and subnational level, has contributed to the increased capacity, knowledge and awareness on REDD+ issues particularly at subnational level in the targeted areas, through a series of trainings, workshops, consultation processes, as well as dissemination of knowledge and information via various media (printed documentation and website). Going forward, considering Indonesia's approach in land-based mitigation is using national approach with sub-national implementation, the Gol recognizes that in order to be able to achieve REDD+ readiness, a stronger focus needs to be placed at subnational level that contributed to the acceleration of development of subnational implementation framework including capacity required to implement REDD+. Specifically, as deforestation and forest degradation happened at the local level, actions to prevent it must also take place sub nationally. There is a need for further capacity building and awareness raising on the ER program design, benefit sharing mechanism and roll out of incentives, safeguards, etc. at all level of governments (national, provincial, district and village).

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Component 1: Analytical Work-1.2. Screen options for priority investments

Status:	Completed
Planned Output:	Compilation of options for main investment types to reduce drivers of deforestation based on existing program proposals, discussion of pros and cons and possible risks and impacts
Actual Output:	Analytical review paper. Five priorities intervention identified at the national level

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Component 1: Analytical Work - 1.3. Identify activities within the country that result in reduced emissions

Status: Completed
Planned Output: Discussion of options (policies, investments, demonstration activities) for mitigation actions, assessment
Actual Output: Journal of research on identification of emission reduction activities; Policy brief on efficiency and effectiveness of policy on mitigation of climate changes in the forestry sector; research report

Component 1: Analytical Work-1.4. Rapid situational analysis concerning REDD policy in the country

Status: Completed
Planned Output: Progress report on REDD+ activities in Indonesia (compilation of studies, initiatives and actions under way that would lead to readiness)
Actual Output: Progress report on REDD+ activities in Indonesia. This assessment was done in a participatory manner during the inception phase, to validate the FCPF activities

Component 2: Management of readiness process-2.1. Institutional setting and legal framework for REDD implementation

Status: Completed
Planned Output: Gaps in regulatory framework for REDD+ assessed and options for improvement identified
Actual Output: Result from national workshops concluded the needs to refer to existing regulations & focus on more comprehensive measures based on the integrated action plan formulated by central & local government

Component 2: Management of readiness process-2.2. Capacity building of institutions & stakeholders involved in REDD+ implementation

Status: Completed
Planned Output: Capacity of REDD+ related institutions strengthened
Actual Output: ToT on carbon accounting & monitoring were conducted in East Kal; mainstreaming adaptation & mitigation options recommended; draft policy framework on climate change in forestry sector presented

Component 2: Management of readiness process-2.4. Consultation and Outreach

Status: Under Implementation
Planned Output: REDD+ ownership strengthened; awareness and capacities of all REDD+ actors improved
Actual Output: Workshops & FGD were conducted. Various publications made available through printed documentations, documentary film on REDD+ in East Kal produced; Documentation is available at www.fcpfindonesia.org

Component 2: Management of readiness process-2.5. Management of data, lessons, and funding partner coordination.

Status: Completed
Planned Output: Information on Demonstration Activities updated and available in database.
Actual Output: Stocktaking on local challenges on REDD+ implementation was conducted. Demonstration activities status & lesson learned from DAs on the institutional challenges have been synthesized & disseminated

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Component 1: Analytical Work-1.1. Analyze drivers of deforestation from development perspective, land use demands, & demographic dev

Status: Completed
Planned Output: Synthesis of available assessments and studies on deforestation in Indonesia with specific focus on future land use demands and demographic development
Actual Output: The study revealed quantitative causalities of tree cover changes at district level for finding local solutions, policy lever and interventions to reduce deforestation and forest degradation

Component 2: Management of readiness process-2.6. Strategic Environmental and Social Assessment (SESA) and ESMF of limited scope

Status: Under Implementation
Planned Output: Ways for addressing key social and environmental considerations associated with REDD+ are transparently discussed.
Actual Output: REDD+ related materials compiled to inform final SESA report; SESA/ESMF were drafted; training on safeguards conducted to increase understanding on safeguards instrument & implementation

Component 3: REL and MRV-3.1. Analysis and possible mapping of nature and effect of land use on terrestrial carbon cycles.

Status: Cancelled
Planned Output: Information on terrestrial carbon cycles of different land uses
Actual Output: Activity was canceled.

Component 3: REL and MRV-3.2. Development of a time series analysis of the primary social economic and policy aspects of LUC

Status: Completed
Planned Output: Time series information on social economic and policy aspects of land use change (LUC)
Actual Output: GIS analysis on forest cover changes in 3 provinces was prepared. This included review of economic, social & cultural drivers for land use change. This analysis feeds into DOTCC study

Component 3: REL and MRV-3.3. Establishment of permanent sample plots (PSPs) for ground-based forest carbon monitoring

Status: Completed
Planned Output: Increased certainty in GHGs estimates from reduced emissions and increased removals, and stabilization of forest carbon stocks
Actual Output: 159 PSPs were established in forest area in 6 districts, East Kalimantan; web-based to support carbon monitoring system developed and launched

Component 4: Regional Data Collection and Capacity Building-4.1. Facilitate the development of REDD+ readiness at subnational level

Status: Under Implementation
Planned Output: The targetted districts have sufficient capacity to prepare for REDD+
Actual Output: ERPD for East Kalimantan developed & approved by CFP; SESA/ESMF & BSP are at the final stage of completion; capacity building at EK & Jambi is progressing; public consultation & FPIC were carried out

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Component 2: Management of readiness process-2.3.Prepare a quick assessment of Revenue sharing options in the international context

Status: Completed
Planned Output: Compilation of Options for REDD+ Revenue sharing mechanisms, pros and cons, and lessons learned from international experiences relevant for Indonesia
Actual Output: A study was prepared on benefit sharing options focusing on the central role of communities in relation to their land rights and access to forest land for meeting REDD+ objective.

Component 2: Management of readiness process-2.1.Institutional setting and legal framework for REDD implementation

Status: Completed
Planned Output: Gaps in regulatory framework for REDD+ assessed and options for improvement identified.
Actual Output: National workshop conducted to discuss regulations gaps; Guideline for Indigenous People & Local Community engagement was developed by National Forestry Council; REDD+ Working Group Maluku established

Comment on planned and actual Output

Comment on component implementation progress

Component 1: All activities under Component 1 has been completed and reported in the previous GRMs

Component 2: Capacity building of institution and stakeholders involved in the implementation of REDD+ activities, which include activities related to training for trainers on carbon accounting and monitoring for local government personnel, including district governments, FMU, technical implementing unit at provincial level particularly (those who will manage and monitor permanent sample plot data and web-based carbon monitoring system). Dissemination of information is an ongoing activity where for any publications developed under this program are made available through various form of publication including printed documentation, documentary film on REDD+ in pilot ER Program in East Kalimantan. Documentation is also available online on FCPF Indonesia website. In the reporting period, activity is focusing on finalization of safeguards documents (SESA, ESMF, IPPF, RFP, FGRM)

Component 3: activities are focusing on supporting the establishment of permanent sample plots for ground based forest carbon monitoring in forest estate area in six districts, East Kalimantan.

Component 4: activities are focusing on facilitation the development of REDD+ readiness in two subnational pilot emission reduction programs in East Kalimantan and Jambi. In the reporting period, final ERPD was submitted to and approved by Carbon Fund Participants (CFPs); finalization of safeguards documents (SESA, ESMF, IPPF, RFP, FGRM) and BSP; public consultations for safeguards documents conducted at national and subnational level (well attended by relevant stakeholders from national, provincial, district and village level); capacity building for relevant institutions in East Kalimantan and Jambi Provinces (including training on RIL-C, carbon accounting, conflict resolution, business planning, participatory carbon measurement; preparation of program design for emission reduction program in Jambi (supported by pre-investment of ISFL).

Several workshop and focus group discussion (FGD) were conducted, particularly on technical issues in support of finalization of the REDD+ management framework and how to operationalize it, such as on ER title transfer, synchronize FREL between national and subnational, BSM, drafting Standard Operating Procedure (SOP) for QC/QA on calculation for accuracy and uncertainty, socialization for MRV and Registry systems, facilitation on Governor regulation for BSM and FGRM, institutional arrangement (for MMR/MRV, registry and SIS) at national and subnational level, discussion on carbon monitoring for peat and mangrove, integration of Permanent Sample Plot (PSP) in East Kalimantan into National Forest Inventory (NFI), SOP on monitoring and evaluation. Other FGD was on private sector roles, policies on forest rehabilitation, reclamation, and private sector engagement on low carbon development. Other notable outputs are the public consultation for SESA, ESMF (RPF, IPPF,

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FGRM) and BSP, including initial socialization of FPIC to the villages

EXECUTION

Bank project related to the grant

Project ID / Name: P124583 - Indonesia- FCPF REDD Readiness
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: Research Development & Innovation Agency & Directorate General of Climate Change
Contact: Dr. Syaiful Anwar
Address: Research Development and Innovation Agency, Ministry of Environment and Forestry
Phone: +62 811900316 Email: syaifula09@gmail.com
Website:

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those f

Under the current government structure the institutional responsibilities for climate change and REDD+ are placed under the Directorate General of Climate Change (DGCC), Ministry of Environment and Forestry, where DG-CC plays as key role as the national focal point for climate change issues. This has created opportunities to further advance and align development partner- and government-led activities going forward to help achieve the GOI's NDC target. As the GOI is currently preparing two large-scale provincial ER Programs in East Kalimantan and Jambi, a main challenge faced by the GOI in preparing such programs, particularly the FCPF CF, is the mobilization of up-front investment finance for actions that reduce emissions. In addition, both programs must be carefully coordinated with other activities financed by national and sub-national government and development partners, including those (potentially) financed by the World Bank under sustainable landscape initiative (i.e. FIP, DGM, GEF Social Forestry, One Map, FCPF, BioCF ISFL). As the World Bank is also providing support for other programs involving community development, agricultural development and governance reforms, the World Bank can contribute to and play a coordination role between MOEF and other development partners, and leverage financing to support the government's priorities related to climate change.

2. Describe any important changes in the technical design or approach related to the Grant activities.

The Project Development Objective (PDO), project beneficiaries and categories of activities under Additional Funding (AF) remain unchanged. However, since the AF was designed to directly support the design of two large-scale provincial ER Programs in Jambi with primary focus in East Kalimantan financed under BioCF ISFL and FCPF Carbon Fund, respectively), additional key result indicators were added to support the achievement of the AF grant objectives: i) Indonesia will be REDD+ ready (based on the assessment criteria of the Readiness Package; and ii) large-scale ER Program at the sub-national level will be designed to pilot the implementation of REDD+.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

The AF has budget allocation to support the establishment of program management unit (PMU) to support the preparation and implementation of FCPF Readiness, Carbon Fund and BioCF ISFL programs. The PMU is operational and fully staffed, while the

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Coordinator and technical experts have contributed to the preparation and finalization of ERPD development for East Kalimantan. The consultants include technical, fiduciary (financial management, procurement) skills, and other related skills including monitoring, reporting, carbon accounting, economist/NRM, social development, environment, communication, private sector and commodity related experts, which helped in the project management, monitoring and evaluation and reporting, as well as on analytics works needed to feed into the ERPD for East Kalimantan and Jambi. The AF has been utilized to support capacity building particularly at sub-national level with the main focus on East Kalimantan and Jambi to advance their capacity and readiness going forward.

However, resource commitments by Gol to ensure adequate capacities and effective oversight ER-P implementation are yet to be confirmed. Noting that these resources will likely be sourced from the existing government budget within implementing agencies, at least during initial years of ERP implementation, there are risks that such commitments may not be met due to various external factors, such as budget cuts and re-allocation.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

As part of the FCPF Readiness Grant, MoEF has produced significant upstream analytical work pertaining to identification of potential risks and impacts associated with REDD+. A combination of such analytical work and broad consultations at the national and sub-national levels, involving representatives from target communities and villages has informed the overall safeguards approaches for the ERP, including management of potential risks and identification of institutional capacity strengthening measures needed to address such risks. Key safeguards deliverables have been produced and are currently being reviewed by the World Bank for internal clearance. These deliverables include a Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) and its associated frameworks, including Indigenous Peoples Planning Framework (IPPF), Resettlement Planning Framework (RPF), which consists of a Process Framework (PF) and Feedback and Grievance Redress Mechanism (FGRM).

The SESA report has been prepared in accordance with the FCPF methodological framework and is consistent with the country system for Strategic Environmental Assessment processes (common approach). An earlier Terms of Reference (TOR) for the preparation of the SESA and ESMF and its associated frameworks was cleared by the World Bank.

Relevant environmental and social safeguards risks are related to inclusion of forest dependent communities in the ERP, access restrictions affecting these communities due to improved forest management and law enforcement, institutional capacity constraints to address tenure conflicts, community engagement, sustainable natural resource management and law enforcement. These risks have informed the overall ERP design, including its safeguards approaches and BSP.

The overall safeguards preparation has also contributed to strengthening the country safeguards initiatives for REDD+, particularly in testing the Safeguards Information System (SIS) REDD+ and multi-stakeholder dialogue on the country's Principles, Criteria and Indicators (PRISAI [1]), which are aligned with the Cancun safeguards requirements.

The safeguards instruments prepared for ERP reflect Good International Industrial Practices (GIIPs), particularly in the areas of pest management and agricultural and forestry practices.

5. Is the ESMF prepared in accordance with the Common Approach?

Similar to the SESA, the ESMF has been prepared to mainstream the country's systems for safeguards and focus on identifying gap filling measures, including capacity building aspects for the overall ERP implementation. The ESMF and its associated instruments have been broadly consulted (see below) and includes a capacity building plan for safeguards to promote GIIPs and effective oversight, including management of grievances related to the ERP.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

The ERP in East Kalimantan was developed through extensive consultations with national and sub-national stakeholders, which have been on-going since 2016 under the leadership of the Regional Council on Climate Change (DDPI). Identification of key drivers of deforestation and degradation was conducted through a series of consultative workshops between May 2017 and March 2018, involving government agencies, CSOs/NGOs and other development partners. Further stakeholder consultations,

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including in districts and villages in East Kalimantan, will be conducted as part of the Free, Prior, and Informed Consent (FPIC) process being utilized to consult on the broader government's EK-JERP. These consultations have begun and are expected to conclude in October 2019.

Safeguards instruments, including the SESA and ESMF along with its associated instruments, including FGRM has been disclosed at the DGCC's websites (<http://ditjenppi.menlhk.go.id/peraturan-perundangan.html>). These safeguards instruments will be translated into Bahasa Indonesia and publicly disclosed prior to ERPA signing.

A Feedback and Grievance Redress Mechanism (FGRM) applicable to the ERP, including the BSP has been developed. The FGRM is based on the existing national systems of grievance redress that exist at village, provincial, and national levels. The grievance redress mechanisms are located in MoEF, land, and other enforcement agencies, as well as in village and provincial institutions. Depending on the type of grievance, a different mechanism would apply and escalate to other levels should resolution not be achieved. The FGRM describes these mechanisms and a review of capacities and effectiveness is currently ongoing. This is necessary given the FGRM has flagged that existing mechanisms need more support for awareness of the ER Program and to strengthen the capacity to respond and report grievances. The reporting of grievances will be linked to the national Safeguards Information System (SIS) which will also be strengthened as part of implementation.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2011	06/30/2011	0.00	0.00	0.00	0.00
07/01/2011	12/31/2011	0.00	0.00	300,000.00	300,000.00
01/01/2012	06/30/2012	0.00	0.00	377,829.10	77,829.10
07/01/2012	12/31/2012	0.00	0.00	681,182.24	303,353.14
01/01/2013	06/30/2013	0.00	0.00	1,509,779.93	828,597.69
07/01/2013	12/31/2013	0.00	0.00	2,022,714.56	512,934.63
01/01/2014	06/30/2014	0.00	0.00	2,604,450.14	581,735.58
07/01/2014	12/31/2014	0.00	0.00	2,766,338.90	161,888.76
01/01/2015	06/30/2015	0.00	0.00	2,766,338.90	0.00
07/01/2015	12/31/2015	0.00	0.00	2,934,150.45	167,811.55
01/01/2016	06/30/2016	0.00	0.00	3,045,068.19	110,917.74
07/01/2016	12/31/2016	0.00	0.00	3,196,325.37	151,257.18
01/01/2017	06/30/2017	0.00	0.00	3,403,627.29	207,301.92
07/01/2017	12/31/2017	0.00	0.00	3,556,557.10	152,929.81
01/01/2018	06/30/2018	0.00	0.00	4,043,977.27	487,420.17
07/01/2018	12/31/2018	0.00	0.00	4,768,150.30	724,173.03
01/01/2019	06/30/2019	0.00	0.00	5,312,714.05	544,563.75
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00