

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099721
Printed On: 10/08/2013

Reporting Period: 07/01/2012 to 06/30/2013
Report Type: Progress Report
Report Status: Approved

Assignment: TF099721

Indonesia - FCPF Readiness Preparation Grant FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000190769 - Werner L. Kornexl
Approving Manager: 00000208109 - Nathan M. Belete

| Summary Information | |
|------------------------------------|-------------------------------|
| TF Status | ACTV |
| Recipient Country | Indonesia |
| Executed By | Recipient |
| Managing Unit | 8097 - EASIS |
| Grant Start Date / Closing Date | 06/10/2011 to 06/30/2015 |
| Program Manager | |
| Original Grant Amount | 3,196,428.00 |
| Grant Amount | 3,196,428.00 |
| Outstanding Commitments | 0.00 |
| Cumulative Disbursements | 1,509,779.93 as of 06/30/2013 |
| Disbursed 07/01/2012 to 06/30/2013 | 1,131,950.83 |
| 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 07/01/2012 to 06/30/2013 with regard to Achieving Grant Objectives:

Comment:

The overall progress reported in this period has covered progress since June 2011.

Based on the recent supervision mission, which was conducted in February 2013, the mission agrees that grant implementation continues to show satisfactory progress despite the delays caused by the recently introduced on-budget on-treasury system. Overall, FCPF has developed good partnerships with local governments and has conducted an impressive number of workshops, information sharing events, focus group discussions and training to the local, national and international stakeholders. It has strategically used the funds to complement the available national budget and could deliver a much higher amount of events and workshops as initially planned.

The supervision mission agrees that a number of highly important results were achieved, such as the SESA process, engagement of sub-national agencies in the REDD processes, collaboration with the broader public on various readiness topics through workshops and lately the disseminating of the results coming out from the field activities. Strengthening the role of local universities also deserves to be mentioned. The mission also recognizes the immense effort of the FCPF to fill the gaps and identify activities that are not covered by other donors and actors. The mission also would like to highlight the immense quantity of work, workshops, engagements and interventions planned and executed throughout the process.

The following are issues identified during the mission that would need further attention:

- a) Communication strategy of the study outputs and project achievements. The FCPF team has produced many studies and interesting results from workshops. The mission agrees that the results of those activities need to be communicated to a wider group of stakeholders and in a more strategic way. The mission also agrees to integrate the outputs where overlaps might occur between the implementing agencies.
- b) Integrated approach in supporting FIP funded Forest Management Unit development: The mission concludes that FIP funded FMU project can take advantage from the current FCPF engagement. As FMU intervention priority areas has not been decided, further coordination is recommended to ensure continuation of FCPF support for REDD+ in relevant FMUs. The mission agrees that FCPF knowledge and expertise on REDD+ could become an asset for the FMU implementation in future.

Overall progress from 07/01/2012 to 06/30/2013 with regard to Implementation of Grant Financed Activities:

Comment:

All targeted outputs were achieved during the estimated implementation period. In many cases, the number of workshops, local engagements and events was actually higher than initially expected because the project teams used additional national budget allocation to deliver on the products. The supervision mission in 2013 found that the overall outcome of those individual programs was achieved but could have been even better if the communication strategy (internet, dissemination, external communication) could be improved.

All activities were previously consulted with project partners, donors, civil society organizations and priorities were defined in a participatory manner.

Financial Management in line with On Budget and On Treasury # #DIPA# planning: The mission agreed that the new national financial management arrangements have created challenges and resulted in disbursement delays in the first year. Although, the financial management has significantly improved since then, it remains a challenge and could potentially affect spending performance both for FORDA and Pustanling in future.

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Grant follow-up and structure

Description and context of Grant:

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

Comment on follow up:

The Gol is in the process of requesting additional funds from the FCPF (USD 5 million). The Mid Term Report is being prepared, where Gol is identifying gaps in the Readiness process to be covered by the additional finance requested from the FCPF. In the preparation meeting for the Mid Term Report (May 2013), stakeholders in and outside the government recognized the strategic value of the FCPF and indicated that additional funds should be allocated to strategic activities identified then.

End Date of Last Site Visit:

Restructuring of Grant:

OUTCOME

Comments on outcome achieved from 07/01/2012 to 06/30/2013

FCPF had an important role for making progress on readiness in Indonesia. Despite current institutional challenges, FCPF team has been able to develop good collaboration with stakeholders on various REDD+ readiness aspects and has produced an immense number of studies, documents and organized and implemented an outstanding amount of workshops and seminars all over the country. The team also committed to deliver the Midterm Review (MTR) on readiness component in Indonesia. FCPF, however, still needs to focus more on communication and dissemination of the results produced.

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

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 of trade-offs, and identification of road blocks
Actual Output: The action plan suggests interventions such as local policies alignment, development strategy, institutional arrangement & stakeholder engagement (including private sector)

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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: Under Implementation
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: Under Implementation
Planned Output: Capacity of REDD+ related institutions strengthened
Actual Output: Trainings on REL, MRV and emissions factor were conducted. Training needs assessment documented. Local universities agreed to incorporate carbon accounting and monitoring as part of their curriculum

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 and FGDs were conducted targeting key REDD+ stakeholders. Publications include brief info, activities report, meeting proceedings, flyers, also available online: www.fcfindonesia.org

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

Status: Under Implementation
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

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: SESA process uses DKN platform to facilitate dialogue among stakeholders on the two initiatives (SIS and PRISAI), to come to an agreement on a common approach on safeguards for REDD+ implementation

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

Status: Planned
Planned Output: Information on terrestrial carbon cycles of different land uses
Actual Output: To be prepared

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 (1990-2011) 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: 96 PSPs established in 6 provinces. Biomass & carbon stock database is produced. The result will support national MRV system. REL accounting methods is incorporated as an input to RAD-GRK development

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

Status: Completed
Planned Output: The targetted districts have sufficient capacity to prepare for REDD+
Actual Output: REDD+ strategy preparation action plan has been formulated on three provinces in East Java (Jember), South Sumatera (MusiRawas) and South Kalimantan.

Comment on planned and actual Output

Comment on component implementation progress

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

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Implementing agency and contact details

Agency: FORDA (Puspajak) and Pustanling, Ministry of Forestry,
Contact: Kirsfianti Ginoga
Address: Forda / MoFor
Phone: 02151 8633944
Website:

Email:

PROGRAM

Program Specific Questions

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

In relation to the climate finance program, in particular under FCPF and FIP, the World Bank and the GoI have made significant efforts to align the existing and future instruments with the Norway LoI agenda and other donor activities. During the inception phase it was made clear that FCPF would only cover activities that no other donor would cover.

The FCPF and FIP in Indonesia are collaborating closely, and it is expected that the additional finance to the FCPF will finance some of the Readiness activities needed to make FIP investment successful, including capacity building at the local level for the implementation of Forest Management Units (KPH).

As the World Bank is also providing support for other REDD+ and Green Growth related activities and programs involving community development, agricultural development and governance reforms, the WB can often contribute with the coordination efforts between Ministry of Forestry and other stakeholders.

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

The grant is being implemented as initially planned.

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

Training to FORDA and other members of the Ministry of Forestry in procurement and financial management has been provided throughout grant implementation.

Staff from Ministry of Forestry has participated in technical trainings with support of the FCPF.

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?

The main purpose of the SESA is to ensure that social and environmental sustainability concerns are integrated into the preparation of the national REDD+ strategy. However, in the case of Indonesia, the REDD+ Strategy was already prepared in an inclusive and participatory manner, before the SESA process started. SESA was repurposed to address specific strategic needs of the REDD+ Readiness preparation process going forward, such as setting acceptable consultation protocols and harmonizing different REDD related safeguard instruments and principles. SESA has been instrumental in bringing together the national safeguard discussions, specifically the Principles, Criteria and Indicator for REDD+ Safeguards Indonesia (PRISAI) and the Safeguard Information System (SIS) and has contributed thus far with increasing the level of understanding of safeguards and how to make the more operational in the REDD context.

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

Following proactive moves on safeguard standards setting for REDD+ on the part of both the REDD+ Task Force, Ministry of Forestry and other stakeholders, readiness in Indonesia has advanced nearly to the point where the country is ready to prepare an integrated Environmental and Social Management Framework (ESMF). The ESMF will lay out the principles, procedures, systems, and protocols (in relation to monitoring, for example) that are relevant for safeguards application to a potential REDD

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Programs and will build on the advance analytical work that is already in place from previous work on SIS and PRISAI, national legislation and operational guidelines.

6. Describe progress in stakeholder consultation, participation and disclosure related to this Grant.

All the formal documentation and process has been filed at the WBDocs see this link

<http://wbdocs.worldbank.org/wbdocs/drl/objectId/0b0224b080c523b0>

FORDA has disclosed all project documents, reports and publications under www.fcpfindonesia.org

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 | 0.00 | 0.00 |
| 01/01/2014 | 06/30/2014 | 0.00 | 0.00 | 0.00 | 0.00 |
| 07/01/2014 | 12/31/2014 | 0.00 | 0.00 | 0.00 | 0.00 |
| 01/01/2015 | 06/30/2015 | 0.00 | 0.00 | 0.00 | 0.00 |