

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099721
Printed On: 09/30/2014

Reporting Period: 07/01/2013 to 06/30/2014
Report Type: Progress Report
Report Status: Approved

Assignment: TF099721

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

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Approving Manager: 00000066054 - Iain G. Shuker

Summary Information	
TF Status	ACTV
Recipient Country	Indonesia
Executed By	Recipient
Managing Unit	8097 - EASIS - HIS
Grant Start Date / End 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	2,604,450.14 as of 06/30/2014
Disbursed 07/01/2013 to 06/30/2014	1,094,670.21
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 07/01/2013 to 06/30/2014 with regard to Achieving Grant Objectives:

Comment:

The Project continues to show significant progress. A number of important results were achieved, such as capacity building and stakeholder engagement at subnational level in the REDD+ processes, collaboration with the broader public on various readiness topic through workshops, strengthened the role of local universities, an extensive knowledge dissemination to increase stakeholder's knowledge and awareness related to climate change and REDD+ at subnational level and safeguards review and development (SIS REDD+), as well as development of National Consultation Protocol. Significant progress has been made on the REL and MRV development, however, several challenges remain that some works are still needed to improve further development. Other challenges include the operationalization of REDD+ institution at national level, managing high expectation for REDD+ payment and other incentives, implementing technical aspect of REDD+ (e.g. MRV, REL), strengthening governance and improving consistency and harmonized the climate change action plan (RAN-GRK and RAD-GRK) and the REDD+ Strategy action plan at national and subnational level.

Overall progress from 07/01/2013 to 06/30/2014 with regard to Implementation of Grant Financed Activities:

Comment:

All targeted outputs were achieved during the reporting period. The implementing agencies continued to engage with multi-stakeholders at national and in particular sub-national level. The grant has leveraged the involvement to the local universities, forest management units and district officers for capacity building and enhancement of knowledge on forest carbon stock measurement and accounting. Permanent Sample Plots (PSPs) has been established, in close cooperation with the local agencies, almost doubled since the last reporting period.

Knowledge dissemination has improved significantly through printed publication and FCPF Indonesia website has served an important and useful tool to ensure information sharing for wider stakeholders. In addition, network of universities, research and education institutions related to forest, land and climate change has been formed in seven regions throughout Indonesia to enable knowledge exchange across the country. The capacity building and stakeholder engagement were in turn undertaken with local universities as #hub# of knowledgedissemination.

The development of safeguards is proceeding through two main initiatives that were developed in parallel, PRISAI and SIS REDD+, supported by REDD Agency and Ministry of Forestry, respectively. The upstream analytical works has been conducted during the development of both initiatives and has been tested in several regions. The supervision mission concluded that the upstream analytical works and the consultation that are the twin pillars of the SESA process have been implemented through a range of activities. Ministry of Forestry will proceed to document the process and develop the national environment and social management framework (ESMF).

The Ministry of Forestry has showed significant commitment in the preparation of ER-PIN for a potential participation in the emission reduction program. And coordination between the Ministry of Forestry, Bappenas and REDD+ Agency, as well as with NGOs, CSOs and subnational Governments has showed an improvement during the preparation process.

The Ministry of Forestry recently submitted request for additional funding that entailed strong emphasis on subnational level activities, as well as engagement with the private sectors. The identified activities address the gap identified in the mid-term report, with four components as follows:

Strengthening readiness at the subnational levels, i.e. provinces, district, and Forest Management Unit / FMU (KPH) -- strengthening to KPHs, local REDD+ Working Groups, community level institution, etc

Private sector engagement in REDD+ related actions -- consultation and analytical works on private sector roles

Implementation framework for a socially inclusive REDD+ actions -- regulations on benefit sharing, rights and role of local

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communities, land tenure and safeguard

Strengthening MRV and REL -- integrate data from DAs into national MRV system, capacity building at the decentralized level, to provide data to the national level.

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 current activity will be scaled up through additional Readiness funding (up to USD 5 million). Details of additional funding and the proposed activities were included in the last Mid Term Report, which was submitted in June 2014. The request for additional funding had endorsed by the National Steering Committee for submission, and was approved in the submitted to and approved during the FCPF meeting in June 2014. The proposed activities would focus more on the subnational level intervention, particularly in the context of FMU development and the link to the carbon fund.

The GoI also confirmed their interest in the FCPF Emission Reduction Program and would submit an ER-PIN in October 2014 for consideration by the FCPF Carbon Fund. The development of ER-PIN was led by the Ministry of Forestry and REDD+ Agency, with inputs from multi-stakeholders at national and subnational level. Early idea note had been submitted and was recently presented in the Carbon Fund Meeting in June 2014. In addition, the government also showed their interest to consider their participation in the BioCarbon Fund, following strong interest from the BioCF donors to the Indonesia participation, and agreed to have further discussion on a more strategic design for the project.

End Date of Last Site Visit:

Restructuring of Grant:

OUTCOME

Comments on outcome achieved from 07/01/2013 to 06/30/2014

FCPF has made important contributions in fast-tracking the REDD+ Readiness progress in Indonesia. Its role will be increasingly important and FCPF will gradually take up a key role when the Carbon Fund preparation activities have started. Further improvement and development on key component of the REDD+ readiness are still needed, i.e. reference scenarios, MRV system and benefit sharing mechanism, and SESA/ESMF.

The progress achieved so far has significantly contributed to the country capacity to implement REDD+ strategy. Good collaboration with stakeholders on various REDD+ readiness aspects at national and subnational level has also been established resulting in improved capacity and increased knowledge and awareness on REDD+ issues at subnational level in the targeted areas. The FCPF team has produced a number of substantial studies and documents as well as conducting and implementing plenty of good quality workshops and seminars in Indonesia.

However, the government has also recognized that in order to be able to achieve REDD+ readiness as defined in the R-PP, Indonesia needs to put stronger focus on the subnational level intervention with programmatic approach. The subnational level is where the dynamics of deforestation and forest degradation occur the most. Further, technical capacity, knowledge and awareness on the principle, concept of REDD+, including incentive or performance based payment mechanism still needs further strengthening and refinement.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

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COMPONENTS

Output and Implementation by Component

Comp.1: Analytical Work - 1.1 Drivers of deforestation from development perspective, land use demands, & demographic devt

Status: Under Implementation
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 theoretical framework highlights multiple scales & processes of tree cover losses, differentiates between agents & underlying drivers. Next, the study & its data will be widely disseminated

Comp.1: 1.3 Identification of activities that result in reduced emissions & increased removals & stabilization of forest carbonstock

Status: Completed
Planned Output: Discussion of options (policies, investments, demonstration activities) for mitigation actions
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

Comp 2: Management of Readiness Process - 2.1 Institutional setting & legal framework for REDD+ implementation on IPs & communities)

Status: Under Implementation
Planned Output: Gaps in regulatory framework for REDD+ assessed and options for improvement identified.
Actual Output: Preparation for implementation is ongoing for development of guidance for effective engagement with Indigenous Peoples & local communities in selected areas

Comp 2: Mngmt of Readiness Process - 2.2 Capacity building for relevant institutions & stakeholders involved in REDD+ Implementation

Status: Completed
Planned Output: Capacity of REDD+ related institutions strengthened.
Actual Output: Trainings: carbon acctg, measurement, monitoring for REDD+ subnational stakeholders; Training Needs Assessment doc; carbon acctg & monitoring incorporated into local Universities' curriculum

Comp. 2: Mngmt of Readiness Process - 2.4 Consultation & Outreach on stakeholders' roles & responsibilities in REDD+ Readiness

Status: Completed
Planned Output: REDD+ ownership strengthened; awareness and capacities of all REDD+ actors improved
Actual Output: Workshops & FGDs with key REDD+ stakeholders; Public consultation on institutional setting & legal framework; National Consultation Protocol developed; Disseminations of various relevant publications

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Comp. 2: Mngmt 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: Gap identification on Demonstration Activity; Workshops: key REDD+ devt agenda; Stocktaking: local challenges of REDD+ implementation; Demonstration activities status & lesson learned disseminated

Comp. 2: Mngmt of Readiness Process - 2.6 Strategic Envtl & Social Assessment (SESA) & Environmental & Social Mngmt Framework (ESMF)

Status: Under Implementation

Planned Output: Ways for addressing key social and environmental considerations associated with REDD+ are transparently discussed

Actual Output: Public consultations on REDD+ policies in general; consultation protocols for REDD+ policy discussions produced; SESA-PRISAI mutual acknowledgement; National safeguards prepared; SIS discussions

Comp. 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: The activity is still in preparation phase

Comp. 3: REL and MRV - 3.2 Development of a time series analysis of the primary social economic & policy aspects of land use change

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, Key findings: transition process is ongoing in 4 provinces; different behavior on patterns of land cover changes (economic & socio-economic factors)

Comp. 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: PSP research: 199 PSP, Biomass & carbonstock database produced; MRV workshops; REL accounting method as input to RAD-GRK devt; PSP Management workshop; app database for forestcarbon monitoring created

Comp. 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 formulated in 3 provinces (East Java, South Sumatera, South Kalimantan); Most progress in Jember, from institutional arrangement to carbon market strategy options

Comment on planned and actual Output

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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

Implementing agency and contact details

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

The grant activities are aligned with the overall REDD readiness activities implemented by various government and private entities at national and subnational level. Specifically, the FCPF readiness grant implementation team is working with the REDD Agency, which resulted in a joint proposal for the FCPF CF.

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

The grant has been implemented as planned.

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

There has been significant capacity improvement achieved by the Ministry of Forestry (FORDA and Pustanling) staffs who have been actively supporting the FCPF activity implementation, including on financial management as they have now had staff in place for the particular task. The additional grants could provide support to further strengthen capacity of project implementation units particularly on project management and fiduciary accountability, i.e. financial management, procurement, monitoring, reporting, and outreach, consultation and communication.

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 upstream analytical work and the consultations that are the twin pillars of the SESA process have been implemented through a range of activities supported by both the Ministry of Forestry and the REDD+ Agency. 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 for REDD+ (SIS REDD+) that were initiated by the two government institutions. And it has contributed thus far with increasing the level of understanding of safeguards and how to make the more operational in the REDD context. The SESA process is considered complete, with only the preparation of ESMF remaining. The key next step for the Ministry of Forestry is to document the process and develop the environment and social management

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framework (ESMF). It is expected to be finalized by end of 2014.

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 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. The development of national ESMF is expected to be finished by end of 2014.

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

Stakeholder consultation and engagement are essential elements in the implementation of the grant. And an improved communication and outreach are also important to keep broader stakeholder well informed of and actively participated in the progress of Indonesia REDD+ implementation. FORDA has disclosed all project documents, reports and publications under www.fcpfindonesia.org

Internally, all formal documentation and process has been filed at the WB Docs that can be found at:

<http://wbdocs.worldbank.org/wbdocs/drl/objectId/0b0224b080c523b>

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	0.00	0.00
01/01/2015	06/30/2015	0.00	0.00	0.00	0.00