

## SESA Terms of Reference

**Updated Draft – subject to final consultation**

### **FOREST CARBON PARTNERSHIP FACILITY (FCPF) INDONESIA: STRATEGIC ENVIRONMENTAL AND SOCIAL ASSESSMENT (SESA)<sup>1</sup>**

May 25, 2011

*These TORs are organized in two parts: the first focuses on the Strategic Environmental and Social Assessment (SESA), which will provide the platform for consultation and analytical work financed under the FCPF; the second part will build on the outcomes of the SESA and prepare an Environmental and Social Management Framework for REDD+ Demonstration Activities which may occur in the future as part of the implementation of the REDD+ Strategy and would be funded by the World Bank or the Government or other Agency willing to use WB safeguards.*

*The implementation of the ESMF and SESA will be sequential. The studies will be entrusted to the same consultant team to ensure continuity and consistency of approach.*

#### **A. Background**

Since UNFCCC COP 13 in Bali, Indonesia has prioritized climate change planning and action, with the President announcing a commitment to reduce greenhouse gas (GHG) emissions by 26 percent by 2020. National strategies and action plans recognize that land use change and forestry are the main sources of Indonesia's emissions. The Ministry of Forestry has issued a number of regulations related to REDD and is preparing a National REDD+ Strategy and a National Action Plan to Reduce GHG Emissions ("RAN GRK"). The October 2010 draft of the Indonesian National REDD+ Strategy recognizes the need to address underlying barriers to reducing emissions from deforestation and forest degradation and for reforms in various land use sectors including, forestry, mining, and agriculture. Indonesia is also undertaking several REDD+ demonstration activities in collaboration with other countries and international agencies, and these will provide important lessons for designing a national REDD+ policy framework.

A previous draft of these ToR was shared with stakeholders at a meeting in Jakarta on 18 May 2010, after which it was posted for comment on the Internet. It is planned that, following the signing of the FCPF Grant Agreement, a consultation meeting will be held with multiple stakeholders to solicit further inputs for adjusting these ToR.

In May 2010, Indonesia agreed with Norway on a performance-based initiative for accelerating action on Reduced Emissions from Deforestation and Forest Degradation (REDD+). The REDD+ Initiative establishes a phased program of action, focusing first on establishment of a national strategy, a management agency, an agency for monitoring, reporting and verification, a pilot province, and a financing instrument. To handle management and implementation of this initiative, in October 2010, the President formed a high level REDD+ Task Force (Presidential Decree 19 of 2010) headed by his Monitoring and Delivery Unit (UKP4) and including high officials from Finance, BAPPENAS, Forestry, Environment, National Land Agency and National Council on Climate Change.

The Forest Carbon Partnership Facility (FCPF) is assisting developing countries in their efforts to reduce emissions from deforestation and forest degradation (REDD+). The FCPF was announced at CoP13 in Bali in December 2007 and became operational in June 2008. The FCPF is helping build the capacity of developing countries in tropical and subtropical regions to reduce emissions from deforestation and forest

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<sup>1</sup> Preliminary TORs for Environmental and Social Management Framework presented in Annex.

degradation and to tap into any future system of positive incentives for REDD+. The aim is to enable countries to tackle deforestation and reduce emissions through REDD+ as well as to develop capacity for assessment of measurable and verifiable emission reductions.

At COP 16 in Cancun, a decision on REDD+ is included in the text, which means that REDD+ will be part of a future climate regime. And for the first time, there is a provision for Safeguards. REDD+ activities will have to support and promote safeguards.

### **Activities to be funded by FCPF**

The activities identified in the FCPF grant agreement are a subset of an overall readiness effort laid out in the Readiness Plan, which was presented to the FCPF in June 2009. Indonesia' REDD+ readiness planning is supported by UNREDD (\$6 million), AUSAID Indonesia Australia Forest Climate Alliance (\$30 million), both working since 2009. Norway's Forest Climate Initiative and Letter of Intent provides \$30 million in Phase 1 of a 3 part results based program. As part of the commitment under the Norway Letter of Intent, the REDD+ Task Force is asked to coordinate the preparation of the national REDD+ Strategy. In this context, the FCPF will support selected strategic analytical inputs and a consultative process, but not the entire REDD+ Strategy. Given the multiplicity of actors and the small size of the FCPF grant compared to other efforts, the FCPF grant cannot be held responsible for the entire national REDD+ strategy, but should be seen as a contributor of specific inputs into a broader multi-donor, multi sectoral dialogue and development process.

The FCPF grant will develop analytical studies, finance consultations and undertake a strategic environmental and social assessment and an environmental and social management framework. The grant agreement has four main components:

- i. Analytical Works including a synthesis and analysis of available assessments and studies on causes of deforestation and compilation of options for main investment types and other interventions, which would reduce deforestation and greenhouse gas emissions.
- ii. Support of Readiness process. This component will include: assessment of options and discussion of pros and cons of recent and new REDD+ relevant regulations, including benefit sharing systems; capacity building of institutions and stakeholders; a large subcomponent of consultation and outreach to cover all actors including Indigenous People; and the completion of the Strategic Environmental and Social Assessment, resulting into an ESMF.
- iii. Reference Emission Level (REL) and Measurement Reporting and Verification (MRV). This component will contribute to efforts to improve understanding of the effect of land use change on carbon stocks;, will develop time series of land use change; and will develop systems to monitor carbon stocks at the ground level in permanent sample plots.
- iv. Regional Data Collection and Capacity Building: The fourth component of the project will facilitate relevant REDD+ readiness activities at sub-national level.

The detailed list of activities financed by the Grant and subject to the SESA studies is presented in the Annex to the present TOR

## **PRINCIPLES AND OBJECTIVES OF THE SESA**

The REDD+ Readiness process should ensure that implementation of REDD+ programs and activities will not cause adverse social and environmental impacts, while striving to enhance benefits for local communities and the environment. The countries participating in the FCPF Readiness Mechanism are

encouraged to use a Strategic Environmental and Social Assessment (SESA) to assess the potential impacts from national REDD+ programs and policies, formulate alternatives and mitigation strategies, and enhance the decision-making process around the design of the national REDD+ framework. The SESA is deemed to be an adequate tool for this purpose as it offers a platform for consultation to integrate social and environmental concerns into the upstream policy-making process. The SESA will be complemented by an Environmental and Social Management Framework (ESMF), which will guide potential investments in REDD+ Demonstration Activities toward compliance with safeguards policies. The ESMF is described in more detail in an attachment to the present TORs.

The SESA is a tool that seeks to integrate social and environmental considerations into policy-making processes, leading to sustainable REDD+ policies. SESA in the FCPF Readiness Mechanism phase should contribute to inform the design of the national REDD+ policy framework, including the National REDD+ Strategy. The focus of the SESA is primarily on the activities included in the four components financed under the present FCPF Grant. Additional topics which may come up as part of the consultation process may result in additional considerations. These issues, however, will not be fully developed under the Grant, because of the limitations of Grant's resources and because other Donors or actors may be developing these topics in complementary efforts and frameworks. The SESA provides a participatory platform for stakeholders to build an understanding of current situation/issues regarding REDD+ activities already taken, and identify future options/opportunities.

The SESA should:

- Identify the social and environmental risks as well as opportunities from proposed policies to reduce deforestation and degradation as they emerge from analytical work undertaken under the FCPF grant.
- Involve primary stakeholders in identifying key social and environmental issues related to REDD+. This will include affected groups and local nongovernmental organizations, as early as possible, in the preparation process and ensure that their views and concerns are made known to decision makers and taken into account. The consultation process will receive support from the National Forest Council (DKN)
- Assess the options that promote sustainable natural resource management and have positive impacts on local communities as they emerge from analytical work undertaken under the FCPF grant. Where policies adversely could affect the environment or local communities, identify alternatives to the proposed policies and/or mitigate negative social and environmental impact. In particular, screen for negative impacts on indigenous communities.
- Provide a gap analysis of Indonesia's institutional and governance capacity to address aversive effects as they emerge from analytical work.
- Discuss recommendations to address key environmental and social impacts, and for addressing institutional and governance weaknesses. This should lead to the preparation of an ESMF.

## **DESIGN: HOW SESA RELATES TO THE REDD+ READINESS PROGRAM AND ESMF**

The SESA concept combines analytical work with participatory approaches, which are implemented in parallel fashion:

- The analytical component aims to improve understanding of REDD+ related issues including environmental and social risks.

- Participatory approaches aim to integrate environmental and social considerations into different levels of strategic decision-making

This closely matches the design of Indonesia's FCPF program, which aims to support Indonesia's Readiness process through a participatory approach, and which includes the following activities relevant to a SESA: assessment of gaps in regulatory framework for REDD+ and identification of options for improvement; capacity building of institutions and stakeholders; and a large subcomponent of consultation and outreach to cover all actors including Indigenous Peoples.

### Analytical work undertaking under the FCPF Grant

As part of the FCPF program, FORDA and consultants will carry out the following relevant analytical activities:

- Analysis of the drivers of deforestation from a development perspective, incorporating demographic development and demands on land.
- Screen options for priority investments needed to reduce deforestation and forest degradation.
- Identification of activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks.
- Rapid situational analysis concerning national REDD+ policy (nationally and sub-nationally (see scope of work below).
- Assessment of Regulatory Arrangements for REDD+ Incentives
- Management of data and review of demonstration activities
- Strategic Environmental and Social Assessment and Environmental and Social Framework
- Analysis and mapping of effect of land use on carbon cycles
- Analysis of time series of policy aspects of land use change
- Establishment of Permanent Sample Plots for monitoring.

The findings from these studies, along with the consultation process outlined below, will be a key input to the development of SESA. One of the key outputs of the SESA will be the ESMF which will guide investments in REDD+ Demonstration Activities; towards compliance with World Bank safeguard policies (see attached ESMF TORs).

### Public consultation on FCPF activities

The objective of consultation will be to achieve the stakeholders' effective participation in relevant analytical work and possible decision making processes of the FCPF Grant. Consultation will use different mechanisms and instruments (as described in the Consultation/Participation Plan) and will allow integrating the stakeholder inputs, including inputs from Indigenous People, into the Grant's analyses and recommendations. Consultations will be conducted in accordance with Bank indigenous peoples' policy and applicable national law, to the extent that national law may set higher standards. Consultations will be inclusive, conducted in local languages as appropriate, and will allow for enough time for community reaction. Consultations will be conducted with regional/local organizations, with national legitimate IP organizations such as AMAN,

Guidance for consultations with IP/forest-dependent communities linked to subnational Demonstration Activities shall be developed in cooperation with DKN to ensure that legitimate representatives of Indigenous Peoples and other forest dependent communities will participate meaningfully in all

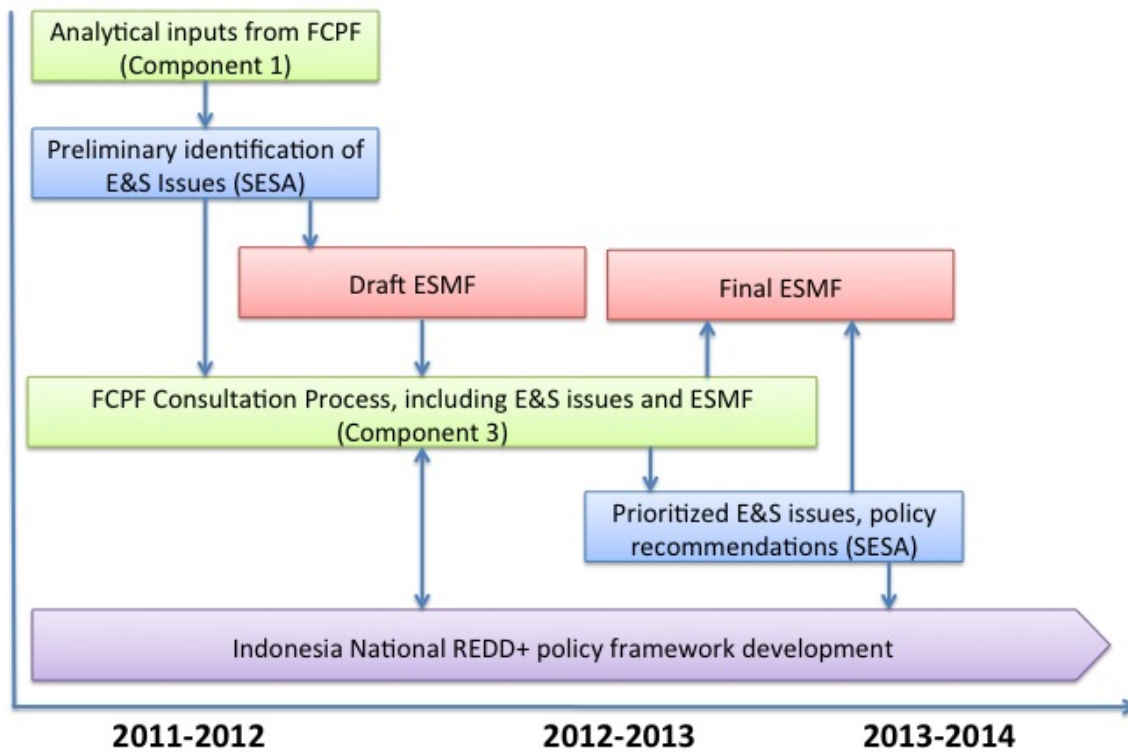
discussions regarding matters that may affect them, including, for example, the revenue/benefit sharing mechanisms.

Target groups of the consultation plan include central and local governments, private companies, local communities and indigenous people, youth and traditional leaders, universities and research institutions. Activities in the plan include the following:

- Stakeholder analyses
- Guidance for effective engagement of indigenous people and local communities in subnational Demonstration Activities;
- Awareness raising on drivers of deforestation;
- Discussion on activities that reduce deforestation;
- Institutional setting and legal framework for REDD+;
- Establishment of local REDD+ groups;
- REDD+ incentives;
- Consultation for SESA preparation and implementation;
- Assistance to set up REDD+ framework at demonstration sites.

To complete the SESA, these venues will be used to record and discuss stakeholder concerns regarding the environmental and social risks identified from activities financed under the grant agreement. Preliminary findings will be presented and results from the consultations will be used to prioritize issues and develop final outputs.

#### Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)



## SCOPE OF WORK

- A. Start-off meeting to agree on the final TORs for the SESA and ESMF, clarify the process, scope and sequences of the work and disclose the conclusions of this meeting. Final consultation on TOR.
- B. Based on the situational analysis of REDD+ policies carried out under the FCPF Grant, supplemented by socio environmental studies available from Demonstration Activity locations, the SESA will analyze a limited number of selected key issues as well as the roles of stakeholders related to the key issues. The rapid situational analysis will include:
  - a. Assessment of key stakeholders and key issues. Stakeholder mapping.
  - b. Assessment of issues and options related to REDD+ Strategy elements related to land tenure and land rights conflict resolution mechanisms, IPs, natural resource management and equitable distribution of benefits including benefits for Indigenous People.
  - c. Assessment of policy and institutional gaps for addressing environmental and social risks
  - d. Compilation of priority issues to be addressed in REDD+ policies.
- C. Review all studies carried out under the FCPF Grant from a social and environmental perspective and make draft reports available to the public. All analytical work will be presented with an assessment of potential adverse environmental and social aspects. Every draft report will be disclosed and a workshop will be organized with the help of DKN to discuss the findings of the analytical work.
- D. Two consultation processes involving workshops are planned after the compilation of information has been gathered.
  - a. Present preliminary findings on E&S risks and gaps from the assessment work and analytical work undertaken. The preliminary findings will be presented to the stakeholders to stimulate a discussion. Stakeholder inputs will be recorded and a draft report will be issued.
  - b. Conduct transparent consultation at a national level including participation from representatives from DA locations on a limited number of core environmental and social issues identified involving representatives of key stakeholders and interest groups. The consultation will be used to prioritize key environmental and social issues and discuss mitigation options.
- E. Develop a Final SESA Report that provides the findings and recommendations that have emerged from the SESA process. This report would, at a minimum, do the following:
  - a. Identify the key REDD+ social and environmental risks emerging from the FCPF studies and SESA analyses and consultations.
  - b. Based on FCPF studies, analyses and consultations, describe the policy, legal, regulatory, institutional, and capacity gaps to implement REDD+ and to manage the key environmental and social issues relevant to REDD+. Identify options that promote sustainable natural resource management and have positive impacts on local communities. Where policies or activities adversely affect the environment or local communities, identify alternatives to the proposed policies to mitigate negative social and environmental impact. In particular, screen for negative impacts on indigenous communities.
  - c. Present recommendations for REDD+ policy design, implementation, and monitoring and evaluation (including legal and policy reforms) based on the results of the SESA.

Formulate policy recommendations for a policy framework to address key environmental and social impacts, and for addressing institutional and governance weaknesses.

- d. Identify any gaps in knowledge where additional data-gathering and analysis may be needed.
- e. Prepare an Environmental and Social Management Framework (ESMF) for potential demonstration activities. The ESMF would apply to future REDD+ activities financed by the World Bank and by other Donors willing to use WB safeguards. In line with the COP 16 decision, which includes safeguard provisions, the Government of Indonesia would discuss a suitable safeguard framework to be used for all REDD+ and Demonstration Activities in Indonesia, independently from who will finance, implement and support them.

## **Methodology**

According to the scope of work, the ToR further outlines a SESA process which should be followed in delivering the required work. The SESA process includes six stages, namely, (1) setting the context of SESA; (2) collecting and analyzing baseline; (3) scoping; (4) developing alternatives; (5) assessing the alternatives; (6) developing management and monitoring plans. The six stages of SESA process may have to be followed in an iterative manner. However, the SESA Task Team shall maintain all assessment activities systematically and consistently.

### ***1. Setting the context of SESA***

This stage is to initiate preparation work for the SESA. Specifically, these preparation works include finalizing the SESA ToR (see Scope of Work A); securing the support from relevant government agencies, setting the objectives of the SESA, identify stakeholders and interested groups. During this stage, the SESA team should also be able to establish a basic understanding of the current situation regarding REDD+ policies/strategies in Indonesia based on literature review, their linkages with other relevant Indonesian policies/regulations, as well as environmental and social development objectives.

### ***2. Collecting and analyzing baseline***

Based on the understanding of the context, the SESA Task Team will start collecting and analyzing the baseline information that is necessary to identify the relationship between REDD+ policies and land use; existing environmental and social issues related to REDD+ policies; policy and institutional gaps; and key stakeholders that are associated with these issues/gaps identified (Scope of Work B-a, b, c). This can be achieved by reviewing all previous studies carried out under the FCPF grant or other sources identified by the SESA Task Team (Scope of Work C, E-a).

By the end of this stage, the following should be delivered: an interim report summarizing the preliminary findings by this stage, a consultation on these findings, and a report on the consultation (Scope of Work D –a).

### ***3. Scoping***

The scoping process is to establish the content of the SESA, prioritize the key issues to be addressed in the course of assessment, identify relevant criteria for assessment, and conduct stakeholder analysis/mapping. At this stage, extensive consultations shall be held with key stakeholders and interested

groups (Scope of Work D-b). A scoping report should be prepared to record these findings and inform the following stages of assessment.

#### ***4. Developing alternatives***

With the input from scoping and adverse issues/risks identified, works at this stage will identify alternatives for the REDD+ policies/strategies (Scope of Work E-b).

#### ***5. Assessing the alternatives***

This stage will conduct scenario analysis for the alternatives identified. The purpose of the analysis of these possible options is to inform the formulation of REDD+ policies/strategies by identifying opportunities to enhance the benefit for local communities (especially Indigenous Peoples communities), summarizing the key challenges/gaps in implementing new REDD+ policies/strategies, and discussing the trade-offs (Scope of Work E-b, d). With these issues discussed, the SESA Task Team will propose recommendations on the institutional capacity needed, formulation and implementation of REDD+ policies/strategies (Scope of Work E- c). Consultations shall be held during this stage.

#### ***6. Developing management and monitoring plans***

This stage will formulate an ESMF that will be implemented to follow-up on the recommendations and issues/risks found from the preceding stages. A generic ToR for the ESMF is presented as an attachment to Annex III. By the end of this stage, the draft SESA report, which includes the ESMF, will be formulated and consulted.

### **INSTITUTIONAL SETTING FOR THE IMPLEMENTATION OF THE SESA AND SUBSEQUENT ESMF:**

The Ministry of Forestry/FORDA will work with the National Forestry Council (Dewan Kehutanan Nasional, DKN) in carrying out the SESA.

DKN is a council specifically created to discuss forest policies with the broader public and is organized into five chambers - government, communities, companies, academics, and NGOs including indigenous representatives' organizations. DKN was established at the Fourth Indonesia Forestry Congress in 2007 and legalized by Minister of Forestry regulation number P.39/Menhut-II/2007. DKN's creation forms part of the implementation of Article No. 70 of Law No. 41/ 1999 regarding Forestry, which stipulates that the government has to encourage community and civil society participation in the forestry development process.

DKN is a constituent based organization. The elected Council consists of 13 voting members from the five stakeholder groups, and 5 additional non-voting members. The Council's mandate is to help in the formulation of effective policies through increased consultation among stakeholders, increased agreement on important forestry issues, and increased dissemination of information on the performance of the forestry sector.

During the implementation of FCPF activities, the Ministry of Forestry will coordinate closely with DKN to conduct the SESA and related consultation process and produce the Environmental and Social Management Framework (ESMF)..

Involvement of key CSO organization such as Telapak and Aman will be systematically sought in the process of information and consultation.



## **Responsibilities and Staffing of the SESA Task Team**

The National Forestry Council (Dewan Kehutanan Nasional - DKN), which was created to discuss forest policies with the public, will support Forda to manage the process, leading the consultations, and preparing the final report of SESA. The Council will create a team of 4-5 members to undertake the tasks. The team will work with the Ministry of Forestry in carrying out the SESA and preparing the ESMF. The final outputs of the SESA are subject to the approval of FCPF Readiness Preparation Grant Steering Committee.

In terms of staffing, the SESA consulting team shall include at least one SEA expert, one carbon finance expert, one environmental specialist, and one social specialist.

### The SESA team will be responsible for the following tasks among others:

- Preparing detailed schedule of SESA process tasks (as defined in section on scope of work) for review by the project Steering Committee by June 2011
- Deliver a scoping report by June 2012 for review by the Steering Committee;
- Deliver final SESA report by March 2013 for review by the Steering Committee.

## **Terms of Reference of Environmental and Social Management Framework**

*The Environmental and Social Management Framework (ESMF) will describe the risks and potential impacts associated with future REDD+ projects and activities and will include adequate safeguard measures. It applies to future REDD+ activities funded by the World Bank or the Government or other Agency willing to use WB safeguards.*

*This TOR is part of a broader consultancy which includes the Strategic Environmental and Social Assessment (SESA). The activities contained in the present TORs follow logically those included in the SESA. The same consultants charged with the SESA will be requested to undertake the tasks described in the present TORs.*

*The present TORs are only a draft. It will be enriched and sharpened during the implementation of the SESA.*

## **BACKGROUND**

For all REDD+ Demonstration Activities, it will be important to ensure that potential negative environmental and social impacts are minimized, while striving to enhance benefits for local communities and the environment. The ESMF will help to provide a comprehensive framework on how to address potential adverse social and environmental impacts for future FCPF and WB financed REDD+ activities. The Environmental and Social Management Framework will describe the risks and potential impacts associated with projects and activities and will include adequate safeguard measures.

A preliminary assessment has indicated that the following safeguards may be triggered by REDD+ related activities in Indonesia:

Environmental Assessment (OP/BP 4.01)

Natural Habitats (OP/BP 4.04)

Forests (OP/BP 4.36)

Pest Management (OP 4.09)

Physical Cultural Resources (OP/BP 4.11).

Indigenous Peoples (OP/BP 4.10)

Involuntary Resettlement (OP/BP 4.12)

## **PRINCIPLES AND OBJECTIVES**

The ESMF provides for an examination of the risks and potential impacts associated with one or more project(s), activity(-ies) that may occur in the future. The Framework sets out the principles, guidelines, and procedures to assess environmental and social risks, and proposes measures to reduce, mitigate, and/or offset potential adverse environmental and social impacts and enhance positive impacts and opportunities of said project(s), activity(-ies), or policy(-ies)/regulation(s).

The ESMF incorporates procedures for: (i) consultations with concerned stakeholder groups; (ii) capacity building measures; and (iii) environmental and social impact screening, assessment, and monitoring. The Framework also specifies the inter-institutional arrangements for the preparation of time-bound action plans for mitigating adverse impacts related to the future project(s), activity(-ies), or policy(-ies)/regulation(s).

By doing the above, the ESMF will provide the overall framework for addressing social and environmental risk management issues in FCPF and WB financed REDD+ activities that are implemented beyond the readiness preparatory work. The measures recommended by the ESMF apply to future REDD+ interventions financed by the World Bank as well as by the Government or other Donors willing to use World Bank safeguards.

The development of the ESMF will be closely coordinated with other FCPF program activities. Consultants preparing the ESMF will take into account the analytical outputs of the FCPF program, in particular the description of environmental and social risks related to REDD+ that is an output of the Strategic Environmental and Social Assessment. Facilitation of workshops to consult on the initial draft of the ESMF will be the responsibility of those managing the overall stakeholder engagement process.

## **BACKGROUND INFORMATION USED IN THE ESMF**

The ESMF will use the information produced by the SESA to describe the potential risks and safeguard issues for future REDD+ investments. In particular, it will include:

- A description of the **indicative REDD+ strategy option(s)**, its main social and environmental considerations, and the various risks involved in its implementation, drawing on information available from various documents, including analytical work carried out as part of the FCPF program;
- An outline of the **legislative, regulatory, and policy regime** (in relation to forest resources management, land use, indigenous rights, etc.) that the REDD+ strategy options will be implemented within, drawing on information available from various documents, including analytical work carried out as part of the FCPF program, together with any reforms in this regime that are proposed as part of the REDD+ strategy options' implementation;
- A description of the **potential impacts**, both positive and negative, deriving from future project(s) and activity(-ies) associated with the implementation of the emerging strategy, and the geographic/spatial distribution of these impacts;
- A description of the **arrangements for implementing the specific project(s) and activity(-ies)**.

## **CONTENT OF THE ESMF**

In addition, the ESMF will include the following main elements:

- A description of the particular **institutional needs within the National Readiness Management Arrangements** for implementing the ESMF. This should be based on a review of the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), and their capacity to manage and monitor ESMF implementation. The analysis should draw mainly from the R-PP and may extend to proposed laws and regulations, new agencies or agency functions, staffing needs, inter-sectoral arrangements, management procedures, operation and maintenance arrangements, budgeting, and financial support.
- An outline of **capacity building actions** for the entities responsible for implementing the ESMF.
- Requirements for **technical assistance** to public- and private-sector institutions, communities, and service providers to support implementation of the ESMF.
- An outline of the **budget** for implementing the ESMF.
- Provisions for Monitoring and Evaluation
- Complaint mechanism

Preparation of a final draft ESMF. The final draft will have to be suitable for inclusion in the R-Package, will have to be consistent with the safeguard policy on Environmental Assessment (OP 4.01) and contain specific sections addressing the requirements of other applicable safeguard policies. These sections will draw on country-specific information generated by the SESA and will take the form of free-standing

“chapters” within the ESMF that will resemble the frameworks provided for in the policies themselves, including as relevant:

1. **Environmental Management Framework (EMF)** to address any potential environmental impacts and necessary mitigation measures;
2. **Resettlement Policy Framework (RPF)** to address any potential land acquisition and/or physical relocation, as required by the World Bank Involuntary Resettlement policy (OP 4.12);
3. **Process Framework (PF)** for situations of restriction of access to natural resources within legally designated parks and protected areas, as required by the World Bank Involuntary Resettlement policy (OP 4.12); and
4. **Indigenous Peoples Planning Framework (IPPF)** as required by the World Bank Indigenous Peoples policy (OP 4.10).

Public consultations on the ESMF will be integrated into the FCPF consultation processes in the country. Consultations should extend from the national level to the lowest level (e.g. district) where site-specific project(s) and activity(-ies), if any, will be proposed, approved, and then implemented.

### **SCHEDULE AND DELIVERABLES**

<b>Deliverable</b>	<b>Schedule</b>
Detailed workplan	2 weeks after signing
Initial draft ESMF	6-8 weeks after signing
Presentations of draft at consultations at DA locations and at national level	Following delivery of draft
Final draft ESMF	14-16 weeks after signing

### **CONSULTANT QUALIFICATIONS AND EXPECTED LEVEL OF EFFORT**

The ESMF will be prepared by a multi-disciplinary team reflecting the necessary environmental and socio-cultural expertise. The ESMF preparation team will have to be capable of addressing all of the safeguard policies triggered by the project(s) and activity(-ies) that may occur in the future from the implementation of the emerging REDD+ strategy option(s), and of carrying out all the tasks outlined in the Scope of Work above. The team will be expected to manage the preparation of both the overall ESMF and each of its separate sections or “chapters” (corresponding to the EMF, RPF, etc.). The team will be familiar with World Bank environmental safeguards policies, and similar requirements in Indonesia, and have demonstrated experience in successfully meeting these qualifications.

## Annex 2 to the SESA TOR

Activities financed under the Grant and subject to the SESA

Activities	Target Output	Fund Management	
		World Bank	Ministry of Forestry
<b>Focus Area 1: Analytical work (USD 268,900)</b>			
1.1 Analyze drivers of deforestation from a development perspective, land use demands, and demographic development	Synthesis and analysis drawing primarily from available assessments and studies on deforestation in Indonesia with specific focus on future land use demands and demographic development.	<b>USD 90,000</b>	
1.2 Screen options for priority investments to reduce deforestation and forest degradation including a trade-off assessment	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.	<b>USD 40,000</b>	
1.3 Identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks	Discussion of options (policies, investments, demonstration activities) for mitigation actions, assessment of trade-offs, and identification of road blocks.		<b>USD 89,500</b>
1.4 Rapid situational analysis concerning REDD+ policy in the country	Progress report on REDD+ activities in Indonesia (compilation of studies, initiatives and actions under way that would lead to readiness)		<b>USD 49,400</b>
<b>Focus Area 2: Support to readiness process (USD 1,754,000)</b>			
2.1 Institutional setting and legal framework for REDD+ implementation:	Gaps in regulatory framework for REDD+ assessed and options for improvement identified.		<b>USD 82,200</b>
<i>- Stakeholder process to review existing regulatory framework (e.g. Permenhut P. 68/2008, P.30/2009, P. 36/2009) to discuss options and suggestions to be considered key stakeholder, specifically by Ministry of Forestry, Ministry of Finance and REDD+ agency</i>			<i>USD 22,261</i>
<i>- Provide support to REDD+ Working Group public consultations and meetings</i>			<i>USD 19,192</i>
<i>- Develop guidance for effective engagement of indigenous people and local communities for subnational Demonstration Activities (likely – tbd - locations: South Kalimantan, South Sumatra (Musi Rawas), Maluku, NAD, West Papua)</i>			<i>USD 40,747</i>
2.2 Capacity building of institutions and stakeholders involved in the implementation	Capacity of REDD+ related institutions strengthened		<b>USD 264,500</b>

Activities	Target Output	Fund Management	
		World Bank	Ministry of Forestry
of REDD+ activities: Training of trainers (ToT) on carbon accounting and monitoring (ground check and spatial data analysis) at national and sub national levels. Location: East Kalimantan, South Kalimantan, Maluku, NAD, West Papua, East Java, South Sumatra.			
2.3 Prepare a quick assessment of Revenue sharing options in the international context, assess existing proposals in Indonesia and convene a stakeholder process to provide inputs to Ministry of Finance and the REDD+ Task Force to prepare guidelines or resolutions on the REDD+ revenue sharing process. :	Compilation of Options for REDD+ revenue sharing mechanisms, pros and cons, and lessons learned from international experiences relevant for Indonesia	<b>USD 100,000</b>	
2.4 Consultation and Outreach:	REDD+ ownership strengthened; awareness and capacities of all REDD+ actors improved	<b>USD 13,572</b>	<b>USD 1,073,728</b>
- <i>Workshops to develop guidance for effective engagement of indigenous people and local communities for future REDD+ Demonstration Activities at subnational level</i>			USD 58,488
- <i>Workshops on investment priority to reduce deforestation</i>			USD 58,489
- <i>Focus group meeting to facilitate establishment of REDD+ incentive mechanism</i>		USD 13,572	
- <i>Consultations to identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks</i>			USD 118,616
- <i>Public consultation in Jakarta and 5 provinces on institutional setting and legal framework</i>			USD 58,489
- <i>Outreach on management of data and lessons on readiness activities/DA</i>			USD 68,554
- <i>Policy dialogue on development of a time series analysis of the primary social economic and policy aspects of land use change</i>			USD 13,568
- <i>Workshops to discuss development of PSPs</i>			USD 58,489
- <i>Workshops on DA at local level</i>			USD 89,842
- <i>Public consultation to facilitate establishment of REDD+ WG at sub national level</i>			USD 44,921
- <i>Public consultation to facilitate development of institutional setting at sub national level</i>			USD 44,921
- <i>Stakeholder analysis (desk study)</i>			USD 4,189
- <i>Dissemination of information through website and printed publication</i>			USD 130,578
- <i>Workshops/dialogues on drivers of deforestation from a development perspective, land use and demands, demographic development</i>			USD 118,616
- <i>Peer review by academic institutions of analysis and mapping of land use</i>			USD 30,500
- <i>Workshops on MRV</i>			USD 58,489
- <i>Workshops on SESA/ESMF</i>			USD 116,979
2.5 Management of data, lessons, and funding partner coordination, including periodic review of demonstration activities	Information on Demonstration Activities updated and available in database.		<b>USD 120,000</b>
2.6 Strategic Environmental and Social Assessment (SESA) and ESMF of limited scope	Ways for addressing key social and environmental considerations associated with		<b>USD 100,000</b>

Activities	Target Output	Fund Management	
		World Bank	Ministry of Forestry
	REDD+ are transparently discussed		
<b>Focus Area 3: Assessment and measurement of GHG impacts of land use change (USD 977,900)</b>			
3.1 Analysis and possible mapping of nature and effect of land use on terrestrial carbon cycles.	Information on terrestrial carbon cycles of different land uses.	<b>USD 160,000</b>	
3.2 Development of a time series analysis of the primary social economic and policy aspects of land use change.	Time series information on social economic and policy aspects of LUC.		<b>USD 196,100</b>
3.3 Establishment of permanent sample plots (PSPs) for ground-based forest carbon monitoring (for estimating forest-related GHGs emissions by sources and removals by sinks, and monitoring forest carbon stock changes)	Increased certainty in GHGs estimates from reduced emissions and increased removals, and stabilization of forest carbon stocks.		<b>USD 621,800</b>
<b>Focus Area 4: Regional Data Collection and Capacity Building (USD 531,700)</b>			
4.1 Facilitate the development of REDD+ readiness at subnational level:	The targetted districts have sufficient capacity to prepare for REDD+		<b>USD 531,700</b>
<i>- Capacity building and studies on how to set up REDD+ framework at selected area (locations : South Kalimantan, West Papua, South Sulawesi, Musi Rawas District-South Sumatera, NAD)</i>			<i>USD 275,650</i>
<i>- Developing socio-economic and biophysical studies to support baseline work</i>			<i>USD 189,250</i>
<i>- Discuss Environmental and Social Management Framework (ESMF) and monitoring the implementation with stakeholders in subnational Demonstration Activities</i>			<i>USD 66,800</i>
<b>Operational Costs</b>			<b>USD 67,500</b>
<b>Total:</b>	<b>USD 3,600,000</b>	<b>USD 403,572</b>	<b>3,196,428</b>