

# World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099721

Reporting Period: 06/10/2011 to 12/31/2020

Printed On:

Report Type: Completion

Status: Draft

Assignment: TF099721

## Indonesia - FCPF Readiness Preparation Grant

### FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000176411 - Alexander Lotsch, Andre Aquino

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Summary Information	
TF Status	ACTV
Recipient Country	Indonesia
Executed By	Recipient
Managing Unit	9269 - SEAE1
Grant Start Date / End Date	06/10/2011 to 12/31/2020
Original Grant Amount	3,196,428.00
Grant Amount	8,196,428.00
Outstanding Commitments	0.00
Cumulative Disbursements	7,482,670.00 as of 12/31/2020
Disbursed 06/10/2011 to 06/30/2021	7,322,892.06
Returned	\$159,778.79 as of 06/30/2021
Donor	TF602001 - MULTIPLE DONORS

*This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program (FCPFR), Completion, Disbursements, Procurement Plan, Procurement Actuals.*

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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 subnational reference scenarios and establish a forest monitoring and carbon accounting system, consistent with local, regional and national conditions and circumstances.

#### Overall progress from 06/10/2011 to 12/31/2020 with regard to Achieving Grant Objectives:

##### Comment:

Overall progress towards achieving the grant development objective has been satisfactory. Since the inception of the Readiness Preparation Proposal (R-PP) in 2011, the Project has made important contributions to advancing the REDD+ Readiness process in Indonesia. Despite the political process and institutional changes within the Ministry of Environment and Forestry (MoEF) and challenges from the COVID-19 pandemic, the readiness grant has supported the development of policies and the completion of several key outputs required for setting up the REDD+ implementation infrastructure, including Forest Reference Emission Levels (FREL), Monitoring, Reporting and Verification (MRV), Benefit Sharing Mechanisms (BSM) and Safeguards. Activities funded by the grant also strengthened the human resource capacity of relevant government officials and other stakeholders to implement REDD+ activities at both national and, to some extent, subnational levels.

Subnational implementation of the REDD+ strategy progressed through the advancement of the ER Programs in East Kalimantan and Jambi. The Readiness grant supported the development of the East Kalimantan Project for ER Results (EK-PERR - P166244), and further contributed to the development of the Jambi ER Results Project (P175144) under the BioCarbon Fund Initiative for Sustainable Forest Landscapes or BioCF ISFL (under preparation). Notably, an Emission Reductions Payment Agreement (ERPA) for the EK-PERR was agreed and signed in November 2021.

Indonesia's REDD+ Readiness process is expected to help Indonesia achieve its Nationally Determined Contribution (NDC) targets under the UNFCCC (towards which REDD+ plays a substantial role) while sustaining and enhancing livelihoods of forest-dependent communities.

#### Overall progress from 06/10/2011 to 12/31/2020 with regard to Implementation of Grant Financed Activities:

##### Comment:

During the FCPF Readiness Preparation Grant period, overall implementation progress was considered *Satisfactory*. Activities focused mainly on establishing the enabling environment for full REDD+ implementation and finalizing all key technical and implementation requirements for the ER-P in East Kalimantan, most notably:

- (i) setting up the necessary supporting infrastructure and building institutional capacities at the national level, and a strong focus on subnational levels of governance and institutional capacity, particularly in East Kalimantan;
- (ii) finalization of national REDD+ management arrangement and implementation framework at national and subnational levels, such as measurement, monitoring and reporting (MMR), greenhouse gas (GHG) inventory and national registry systems, FREL, safeguards, feedback and grievance redress mechanism (FGRM);
- (iii) adoption of national supporting systems by the provincial government, such as National Registry (SRN-PPI) and MRV systems;
- (iv) advancement of benefit sharing arrangements;
- (v) preparation of legal framework at national and subnational level, e.g. regulations on carbon pricing, Environmental Fund Management Agency (BPD LH), subnational FREL, REDD+ implementation; and
- (vi) Consultation, participation, outreach and capacity building (e.g., on Free Prior and Informed consent (FPIC), ERP development, MRV, National Registry System, BSM, safeguards).

Other additional achievements include: a) contributions to the Readiness of institutions in a dynamic, participatory and collaborative manner, b) catalyzing the local parties, especially the agencies in East Kalimantan, and voicing the interests of East Kalimantan, c) use of a powerful communication medium to help unite various opinions, ideas and suggestions in the

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development of East Kalimantan in general, especially on issues related to climate change and low-emission development, and d) contributions to the national REDD+ framework (e.g. MRV/NFMS system, registry system, financing instrument, and technical analysis on MMR, FREL, country's ability for ER title transfer, BSM, safeguards instruments) to demonstrate REDD+ implementation.

The MoEF has improved emission factors in production forests and refine the methodology to measure forest degradation, including associate emission factors. Standard Operation Procedure for analysis on land use change uncertainty and accuracy was developed in consultation with team of experts from MoEF and University of Mulawarman Samarinda. Other notable achievements included improvement of the National Registry System (NRS) to strengthen the operationalization of the system at the provincial level, and the establishment of a subnational FREL that was eventually legalized through the issuance of a Decree of Directorate General of Climate Change (SK Ditjen PPI No.8/2019) on Determination of Forest Reference Emission Level in subnational (province).

Indonesia self-assessment of progress towards REDD+ Readiness, its Readiness-Package, was endorsed by the FCPF Participants Committee in September 2017.

The Government of Indonesia (GoI) and East Kalimantan's Government have launched a number of important reforms including a moratorium on new licenses in primary and peatland forests, policies for more sustainable plantation and forest management, revocation of mining licenses, and improved recognition of the land rights of Indigenous Peoples. The Emissions Reduction (ER) Program as an important catalyst for further implementation of reforms which has now been fully integrated into East Kalimantan's development planning processes.

Most of the planned activities and targeted deliverables of the grant were completed. The Project experienced a low disbursement rate attributed to the slow implementation of activities at subnational levels due to administrative issues, limited human resource capacities, and government-imposed mobility restrictions arising from the COVID-19 pandemic. Extension of the closing date (from November 30, 2019 to December 31, 2020) allowed the Project to meet its objectives and provide grant resources during the critical transition from REDD+ preparation to implementation at the provincial level. In the last year of implementation, this supported the completion of negotiations of the ERPA; provide critical capacity strengthening for implementation of safeguards; monitoring and reporting, and benefit sharing; as well as completions of the FPIC process in East Kalimantan.

As of December 31, 2020, cumulative disbursement from the World Bank to the project's designated account was **US\$7,482,670** (or 91 percent of the total grant amount). On June 17<sup>th</sup>, 2021 the remaining amount in the Project's designated account was returned to the World Bank by the Ministry of Finance amounting to **US\$ 159,778.79**. Therefore, the project's actual cumulative expenditures is **US\$ 7,322,892.06**. The overall Financial management (FM) performance of the project is *Moderately Satisfactory*. In general, the PMU maintained compliance on financial management aspects of the project, including generally timely submission of interim financial report, withdrawal application. The annual audit reports were also consistently submitted on time. The project's financial report for the year ended in December 31, 2020, received clean opinion with no major findings noted in the audit management letter. However, throughout the project, delays in the implementation of select activities and payments were observed on account of weaknesses in the budget revision (DIPA) process, for example on the FPIC implementation in the final year of project period. Delays of budget revision remains a general issue across the Indonesia portfolio.

The Forestry and Environment Research, Development and Innovative Agency (FOERDIA) hired a few new individual consultants while several existing individual consultant contracts (i.e., project coordinator, financial management specialist, administration and financial staff) were extended until the project closing date. The role of these individual consultants was essential in supporting technical, operational, and analytical work needed to feed into the ERP for East Kalimantan. In some cases, only limited potential candidates were found in the market who met the qualification requirements. In other cases, none of the candidates met the qualification requirements, which resulted in the cancellation of the selection process and re-advertisement for expressions of interest. This could be avoided if FOERDIA carried out market analysis including to identify the potential candidates in the market before defining the required qualifications. Small goods such as supporting the IT system for East Kalimantan and FOERDIA were procured through the shopping method by comparing at least three quotations and one non-

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consulting services package was enlisted for preparation of an FCPF video on the readiness of East Kalimantan to implement REDD+. DGCC hired two new individual consultants for developing benefit sharing mechanism and to support financial management. The procurement activities under the project are not considered complex and the contracts are relatively small in value. However, there were delays in hiring several consultants compared with the initial plan especially in the evaluation process. The Bank also conducted the procurement ex-post review annually and found that overall, the procurement process done by FOERDIA and DGCC followed the agreed procedures as stated in the Legal Agreement. FOERDIA and DG-CC updated the procurement plan regularly at least once in a year. Overall procurement performance is considered as *Moderately Satisfactory*.

## Grant follow-up and structure

### Description and context of Grant:

The Readiness Preparation Grant Agreement was signed on June 10, 2011, for an amount of US\$3.196 million. Additional Financing of US\$5 million was approved in November 2016. The closing date of the Readiness Grant was extended from November 30, 2019 to December 31, 2020.

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

### Comment on follow up:

Activities of the Readiness Preparation Grant have focused on establishing the enabling environment for full REDD+ implementation. Following the acceptance of Indonesia's Emission Reduction Program (ERP) in East Kalimantan in the pipeline of the FCPF Carbon Fund, the grant has enabled set-up of the necessary supporting infrastructure and strengthening of institutional capacity and governance at the national and subnational levels, particularly in East Kalimantan to enable implementation of the first subnational jurisdictional and large-scale REDD+ ERP in the country that would improve and sustain community welfare through performance-based payment). Indonesia was also selected as a pilot country by the BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL) in August 2014, with Jambi confirmed as the program site in March 2017. In this context, the Readiness Grant has also been supporting the Jambi Province through activities related to national facilitation (e.g., MRV/NFMS system, registry system, financing instrument, and technical analysis on MMR, FREL, country's ability for ER title transfer, BSM, safeguards instruments) and institutional capacity building at the subnational level. With the establishment of the national REDD+ framework, this grant has positioned Indonesia to be able to undertake REDD+ implementation in meeting international commitments on climate change while supporting national and local development efforts.

The Readiness Grant fits into the Bank's sector-wide approach on forests and land use in Indonesia and corporate commitments on forests and climate change. The project represents an integral part of a programmatic engagement on forests in Indonesia and complements other Bank operations, particularly the BioCF-ISFL.

**End Date of Last Site Visit:** -

**Restructuring of Grant:** N/A. As noted above, additional financing was processed in 2016 in an amount of US\$ 5 million in support of the grant objectives, with an added focus on implementation at the subnational level.

## OUTCOME

### Comments on outcome achieved from 06/10/2011 to 12/31/2020

The Project has made important contributions to advancing the REDD+ Readiness progress in Indonesia, namely: completion of reference scenarios, MMR and registry systems and safeguards; defining benefit sharing arrangements and financing instruments; upstream analytical work, including consultation and socialization within key relevant institutions and at different levels (i.e., government, local communities, NGOs, academia and private sectors). Furthermore, in support of the requirements of the East Kalimantan ERP (and subsequent ERPA), the Project built notably the capacity of national and regional government officials to supervise safeguards implementation, meet technical requirements and protocols to report on future emissions against the pre-

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agreed emissions baseline, draft advanced BSP, pre-negotiate commercial terms of the ERPA, and prepare critical documentation and letters needed prior to the final negotiation of the ERPA. The Readiness Grant has also enhanced the necessary knowledge, awareness and capacities for ERPA implementation and reporting, particularly at subnational level in the targeted areas, through a series of REDD+ trainings, workshops, consultation processes, and media dissemination of knowledge and information (in print and online form).

## Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

## COMPONENTS

### Output and Implementation by Component

#### Analytical activities

Status: Completed

**Planned Output:** Development of national policy and institutional capacity to allow effective promotion of REDD+ and meet international standards for results-based payments.

**Actual Output:** Development of national policy and institutional capacity to allow effective promotion of REDD+ and meet international standards for results-based payments (see details below).

#### Support to readiness process

Status: Completed

**Planned Output:** Development of a detailed investment and implementation plan for the proposed REDD+ program in East Kalimantan and a proposed BioCF ISFL.

**Actual Output:** Development of a detailed investment and implementation plan for the proposed REDD+ program in East Kalimantan and a proposed BioCF ISFL (see details below).

#### Forest Reference Emissions Level (FREL) and Measurement, Reporting and Verification (MRV)

Status: Completed

**Planned Output:** Provision of support to enable provinces in meeting the methodological and technical requirements to receive carbon payments through the implementation of a comprehensive REDD+ program.

**Actual Output:** Provision of support to enable provinces in meeting the methodological and technical requirements to receive carbon payments through the implementation of a comprehensive REDD+ program (see details below).

#### Regional Data Collection and Capacity Building

Status: Completed

**Planned Output:** Provision of support for program management and operations.

**Actual Output:** Provision of support for program management and operations (see details below).

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## Comment on planned and actual Output

At the output level, the Gol has generally maintained the significant progress to achieve its REDD+ Readiness objectives.

## Comment on component implementation progress

### Component 1: Analytical Activities.

A national policy framework to support REDD+ implementation was advanced, with various supporting infrastructure in place, such as FREL, NFMS, MRV, NRS, BSM, financing instruments, and safeguards.

A BSP has been finalized and discussed amongst the key relevant ministries (MoEF, BPD LH, MoF) and East Kalimantan Government, and has been consulted with key government institutions and relevant stakeholders at national and subnational levels. BPD LH prepared Standard Operating Procedures (SOP) for climate fund management and drafted regulation on environmental fund management, custodian bank designation, fund collection and distribution, M&E, and risk management to support the implementation of the ER Program. Safeguards Information System for REDD (SIS-REDD+) Indonesia was designed to manage and provide information on how REDD+ safeguards are managed.

Coordination between MoEF and the government of East Kalimantan on the arrangement of national REDD+ management has been strengthened in pursuit of achieving the country's NDC target through development of a draft Presidential Regulation on Implementation NDC for Climate Change. As a result, the Regional Regulation for Climate Change (Perda) in East Kalimantan has been issued to regulate coordination and a mechanism for task distribution of climate change mitigation and adaptation action for all sectors.

### Component 2: Support to Readiness Process.

The Project has conducted a series of capacity building activities for relevant government institutions and other stakeholders (including academia, private sector, NGOs, and local communities) involved in the implementation of REDD+ activities at different levels. This included training for trainers on carbon accounting and monitoring. Similarly, various socialization events have been conducted at national and subnational levels, particularly on FPIC, ERP, MRV and NRS, which were attended by key institutions from the provincial, district and village governments and other stakeholders (local communities, NGOs, private sectors and academia).

The Grant supported consultation of the draft Presidential Regulation on carbon pricing and facilitated the improvement of land use regulation and policy (TORA/Tanah Obyek Reformasi Agraria and Social Forestry Programme).

BSP documents were developed and consulted at the national level. The advanced BSP for East Kalimantan was approved by the Bank and publicly disclosed in June 2020, while the final BSP is under development. The final safeguards documents of SESA, ESMF, IPPF, RPF and FGRM were completed and were publicly disclosed in February 2020. The FGRM established under the Environmental Impact Assessment (AMDAL) has been well recognized by the Provincial and District Governments as a space for stakeholders, including local communities, to raise their concerns, complaints and to obtain access for full engagement in the entire ERP programmatic cycle. The Grant also conducted preliminary work for safeguards due diligence for retroactive ERs. A cooperation agreement has been signed by the Director of Forest Resources Monitoring and Inventory and Head of East Kalimantan Development Planning Agency on December 11, 2020 on the Spatial Data Sharing Mechanism between MoEF and East Kalimantan Government. REDD+ strategy in East Kalimantan has been incorporated into RPJMD (Provincial Midterm Development Plan) and PERDA of Climate Change Management.

The National Registry System (SRN) is already operational at the national level, while the subnational registry system (East Kalimantan) has been developed and integrated into the SRN. Institutional arrangement for effective implementation (i.e., coordination mechanism of key stakeholders, assigned responsibilities, management and monitoring system) have been established in national and subnational level (East Kalimantan).

### Component 3: FREL and MRV.

The Grant supported the establishment of additional permanent sample plots for ground-based forest carbon monitoring and to reduce uncertainty. The National FREL was completed and was assessed by the UNFCCC Technical Assessor as meeting all requirements. Decree DGCC SK.8/PPI/IGAS/PPI.2/3/2019 entitled Subnational FREL Establishment (Province) was issued on March 11, 2019, which determined the sub-national FREL in East Kalimantan. Technical improvements to the accuracy and uncertainty of activity data and emissions factors were subsequently completed in FY21 as part of preparing the first ER

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Monitoring Report. Development of SOPs on accuracy and uncertainty analysis of land use and land use change has been consulted with technical experts from MoEF and University of Mulawarman Samarinda.

#### **Component 4: Regional Data Collection and Capacity Building.**

Activities have been focusing on advancing the development of REDD+ implementation readiness in East Kalimantan. Public consultations for safeguards documents were conducted at the national and subnational levels, and were well attended by relevant stakeholders from national, provincial, district and village levels. Capacity building was undertaken for relevant institutions, including training on Reduce Impact Logging-Carbon to reduce emission from natural production forests (RIL-C), carbon accounting, conflict resolution, business planning, participatory carbon measurement. Data and information related to safeguards, monitoring of land cover changes, registry and GHG inventory, are regularly updated to meet accountability and transparency requirements. The development of Project Operations Manual for REDD+ implementation for the East Kalimantan ERP was initiated under the grant and is ongoing. It will be finalized through cross support provided by the BioCF ISFL.

A series of focus group discussion (FGD) were conducted, particularly on technical issues in support of finalization of the REDD+ management framework and how to operationalize it. These included ER title transfer, synchronization of FREL between national and subnational, SOP for Quality Control/Quality Assurance on calculation for accuracy and uncertainty, socialization for MRV and Registry systems, facilitation on Governor regulation for BSM and FGRM, institutional arrangements (for MMR/MRV, registry and SIS) at national and subnational level, discussions on carbon monitoring for peat and mangrove, integration of Permanent Sample Plot (PSP) in East Kalimantan into National Forest Inventory (NFI), and SOPs on monitoring and evaluation.

Improvement (stepwise approach) of monitoring system for forest is completed with more accurate data and lower uncertainty. Final Document of SOP on accuracy and uncertainty analysis of land use and land use change as well as on Safeguards in East Kalimantan Province were developed. Database of forest carbon monitoring is available at <http://karbon.puspijak.org>. SIS REDD+ Indonesia was designed to manage and provide the information on how the REDD+ safeguards are addressed and respected through the implementation of safeguards-related policies, law, regulations, and legal instruments. Within this SIS REDD+, multiple benefits and other impacts resulted or associated with REDD+ are also well addressed. Memorandum of understanding No. PKS.3/Setjen/RoKLN/KLN.0/3/2020 & No. 197/2439/B.Humas-III about Emission Reduction Program through Jurisdictional-based REDD+ in East Kalimantan Province has been agreed between MoEF and East Kalimantan Province.

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## 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:** RE- Recipient Executed

### 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 national and subnational government and development partners

Directorate General of Climate Change (DG-CC), Ministry of Environment and Forestry has the institutional responsibilities for national climate change and REDD+ implementation. As such, under the current government's structure DG-CC plays a key role as the national focal point for climate change issues in the country. This structure has created an opportunity to further advance and align government, development partners and other agencies with climate change and REDD+ focused programs going forward to help achieve the Gol's NDC target. As the Gol is currently preparing two large-scale provincial ERPs in East Kalimantan and Jambi, a main challenge faced by the Gol in preparing such programs, particularly East Kalimantan, is the mobilization of up-front investment finance for actions that reduce emissions upon which subsequent results-based payments are made. In addition, both programs must be carefully coordinated with other activities financed by national and subnational government and development partners, including those financed by the World Bank under sustainable landscape initiative (i.e. FIP, DGM, GEF Social Forestry, One Map, FCPF, BioCF ISFL, SLMP MDTF). As the World Bank is also providing support for other similar 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.

There are no changes to the technical design or approaches. However, in the lead-up to the closing of the Readiness grant, focus has been on actions relevant for meeting ERPA requirements and preparation for commencing implementation of the ERP.

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

The PMU is operational and fully staffed, complemented by technical and operational consultants. It consists of financial management, procurement, administrative, program coordinator and other technical experts focusing on activities related to MRV, environmental and social safeguards, benefit sharing, high conservation value (HCV) areas, FPIC, web-based development, project management support, monitoring and evaluation and reporting, as well as on analytical work needed to feed into the ERPs for East Kalimantan and Jambi. The additional finance has been utilized to support capacity building, particularly at subnational 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 of ERP implementation are yet to



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be confirmed.

#### **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?**

Key safeguards deliverables that have been produced with support from this grant include Environmental and Social Management Framework (ESMF) and its associated frameworks, such as Indigenous Peoples Planning Framework (IPPF), Resettlement Planning Framework (RPF), a Process Framework (PF), and Feedback and Grievance Redress Mechanism (FGRM). The Strategic Environmental and Social Assessment (SESA) report has been prepared in accordance with the FCPF methodological framework and is consistent with the country system for Strategic Environmental and Social Assessment processes (common approach). These documents have been cleared by the World Bank and disclosed on February 11, 2020 and are available at <http://puspijak.org/Portal/read/430>.

Relevant environmental and social safeguards risks have been identified in relation 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 safeguards instruments prepared for the ERP reflect Good International Industrial Practices (GIIPs), particularly in the areas of pest management and agricultural and forestry practices.

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), which are aligned with the Cancun safeguards requirements.

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

Yes. Similar to the SESA, the ESMF has been prepared to mainstream the country's safeguards systems and focus on identifying gaps, including capacity building needs for ERP implementation. The ESMF and its associated instruments have been broadly consulted at both the community and national level. It 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.**

Prior to the onset of the COVID-19 pandemic, the ERP in East Kalimantan was developed through extensive consultations with national and subnational stakeholders under the leadership of the Regional Council on Climate Change (DDPI). Travel and mobility restrictions brought on by the pandemic affected the widespread planning and implementation of FPIC process. As a result, in the second half of the current reporting period, the team led by DDPI conducted an initial assessment of the 150 villages targeted from April 2020 onward, and developed revised consultation guidelines and options to safely carry out FPIC while respecting local public health guidelines, i.e., through a mix of face-to-face and remote consultations. The assessment included a budget and cost re-calculation and generated a list of 99 villages to be prioritized based on risks due to ERP. A full implementation of FPIC in the 99 villages across five districts and one municipality was completed in November 2020.

A Feedback and Grievance Redress Mechanism (FGRM) applicable to the ERP and associated 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 law enforcement Agencies, as well as in relevant institutions at village and provincial level. Depending on the type of grievance received, a different mechanism would apply and can be escalated to other levels if or when resolution cannot be reached. The FGRM describes these mechanisms and a review of existing capacities and effectiveness is currently ongoing. To date, the FGRM has flagged the need for additional support for building awareness of the ERP and for strengthening the capacity to respond to 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 ERP implementation.

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## Overall Assessments and Lessons Learned

### Main lessons learned:

Several important lessons and key takeaways were generated throughout implementation of the FCPF Readiness Grant in terms of the REDD+ process in Indonesia, both at the national as well as subnational level (East Kalimantan Province). First, national readiness preparation of institutions and stakeholders (in terms of MMR, safeguards, BSM, etc.) has proven to be a long and complex process as REDD+ is a cross-cutting issue that requires multi-stakeholder participation and depends on the creation of new collaboration arrangements among institutions, agencies, and other stakeholders at various levels.

Second, engagement of the main facilitator in East Kalimantan Province, namely the Regional Council for Climate Change (DDPI), along with the support of other local development partners in East Kalimantan have been instrumental to the process of coordination, communication and the provision of technical input on the design and development of the benefit sharing mechanism, safeguards and MMR systems.

Third, the sustainability of the REDD+ implementation process will largely depend on the identification of adequate incentive schemes and the realization of actual benefits for the private sector and local communities. It also depends on the commitment and capacity of governments to enforce policies and laws that are put in place, and on active contributions from the various levels of government, the private sector, and from local communities. Much of the ERP's sustainability will depend on the continued political will of the national, provincial, and district governments to implement the policies that the ERP is supporting. These policies include the policy on sustainable estate crops, the HCV and RIL-C policies, social forestry, and other key policies linked to land governance.

Not least, the province-level approach can be scaled up to other provinces across Indonesia, thereby feeding into the national REDD+ process on a much wider scale to assist the country meet its NDC targets under UNFCCC.

### Overall outcome (and its Sustainability):

#### Comment:

The REDD+ Readiness support allowed for the establishment of the main REDD+ institutions and systems needed to move to the next phases of REDD+ implementation including investment planning and preparation for potential results-based payments, in particular through the ER-P: safeguard instruments, FGRM, MRV system, FREL, BSP, etc.

The grant-financed activities largely achieved their objectives. The REDD+ dialogue drew attention to the drivers of deforestation and forest degradation and increased cooperation between the forestry sector and other sectors that are at the root of deforestation and forest degradation (i.e., oil palm plantation, timber plantation, and mining). Investments for REDD+ are committed by multi donors and an ERPA signed for ERs.

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 due to Covid-19 policy response of the Gol.

### Bank Performance:

#### Comment:

The overall Bank Performance is Satisfactory, based on quality at entry, project supervision and additional resource mobilization. Regular supervision missions were organized and documented (Aide-Memoire), Non-Objections were provided to the client under reasonable timeframes, and regular reporting was done to the Bank and donors. The Bank team provided close support and technical advice throughout implementation of the grant-financed activities.

## Additional Assessment

### Development / strengthening of institutions:

#### Comment:

The capacity of DG-CC to serve as a national focal point for climate change and REDD+ implementation in the country has increased

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Printed On:

Report Type: Progress Report

Report Status: Draft

significantly as a result of technical support provided through this grant.

## Mobilization of other resources:

### Comment:

As Indonesia is preparing the two provincial level Emission Reduction Programs (East Kalimantan via FCPF Carbon Fund and Jambi via the BioCF ISFL), the Readiness Grant also contributed to the Gol's preparation for subnational implementation, to ensure readiness of the provincial governments and alignment with national systems.

## Knowledge exchange:

### Comment:

The East Kalimantan REDD+ team has been a part of various learning events on REDD+ supported by the FCPF and other sources. The FCPF Readiness Grant has also been supporting Jambi Province, particularly on activities related to national facilitation and institutional capacities at the subnational level.

## Client's policy / program implementation:

### Comment:

Indonesia is on track to achieve tangible REDD+ results and subsequent results-based payments.

## Efficiency:

### Comment:

Outcomes planned at the onset have been largely achieved, in a timely manner, thus efficiency is rated satisfactory.

## Replicability:

### Comment:

The ER Program in Indonesia has provided a strong and scalable foundation for REDD+ implementation in Jambi and hopefully other provinces or nationally, enabling Indonesia to mobilize further support for its sustainable forestry sector.

## Main recommendations to stakeholders:

REDD+ has been communicated globally as a mechanism which seeks to incentivize activities targeted at reducing emissions from the land-use sector. This line of communication has created high expectations amongst some sections of stakeholder groups of large financial inflow for REDD+. In order to ensure the effective management of expectations, deliberate efforts need to be made to emphasize the various co-benefits which will arise from REDD+ implementation, and that any payments for implementation of REDD+ will be performance-based and will consequently require continual support and commitment from all stakeholders.

## Main recommendations to Bank Management:

Readiness preparations, as well as the results-based payments under the ERPA, are highly technical processes which require substantial time, resources and skill sets on the client side, as well as strong support from the World Bank task teams.

## 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

# World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099721

Reporting Period: 07/01/2019 to 06/30/2020

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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	6,605,499.96	1,292,786.64
01/01/2020	06/30/2020	0.00	0.00	<b>6,776,053.25</b>	170,553.29
07/01/2020	12/31/20	0.00	0.00	<b>7,482,670</b>	706,616.75
01/01/2021	06/30/2021	0.00	0.00	<b>7,322,892.06</b>	(159,778.79)

## PROCUREMENT PLAN

None

## PROCUREMENT ACTUAL

None