



## Indonesia: Community-Focused Investments to Address Deforestation and Forest Degradation

Project Name	Community-Focused Investments to Address Deforestation and Forest Degradation		
Project Number	47084-001		
Country	Indonesia		
Project Status	Active		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	<b>TA 8660-INO: Community-Focused Investments to Address Deforestation and Forest Degradation</b>		
	Strategic Climate Fund		US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships		
Sector / Subsector	<b>Agriculture, natural resources and rural development</b> - Forestry - Land-based natural resources management		
Gender Equity and Mainstreaming	Effective gender mainstreaming		

**Description**

The Project Preparation Technical Assistance (PPTA) for \$500,000 will enable preparation of a \$17 million grant project aimed at reducing emissions from deforestation and forest degradation (REDD+) in West Kalimantan, one of the top five provinces contributing to greenhouse gas (GHG) emissions in Indonesia with a mean deforestation rate of 132,500 ha per year. The project will address drivers of forest loss, such as commercial and illegal logging, forest conversion to agriculture, mining and uncontrolled fires, by (i) implementing community-focused REDD+ pilots, (ii) strengthening forest management units (FMUs) in the province through enhancing capacity for spatial planning and livelihood support, and (iii) harmonizing provincial and national policies for forest carbon stock improvement. By reducing pressure on intact forests and promoting sustainable and equitable forest resource management, the project will not only reduce greenhouse gas (GHG) emissions but also provide co-benefits such as poverty reduction, improved quality of life for local communities, protection of indigenous peoples' rights, and enhanced conservation of biodiversity and other ecosystem services. The project will pilot community-focused REDD+ investments in FMUs of Sintang and Kapuas Hulu districts, while drawing upon experience from elsewhere in the province. The project will aim at improving governance, incentives and oversight, in line with West Kalimantan's three strategies for REDD+ by: (i) improving government policies and institutions, (ii) creating incentives for improved forest management, and (iii) overseeing REDD+ payments through strengthening multi-stakeholder consultative mechanisms.

The project preparatory TA will undertake a detailed design of the project on community-focused investments to address deforestation and forest degradation in West Kalimantan (CFI-ADD+). Specific TA activities will include: (i) detailed scoping and assessments of the activities listed under the CFI-ADD+ project concept included as part of Indonesia's forest investment plan (IP), which was endorsed by the FIP sub-committee on 5 November 2012, (ii) assessment of institutional capacity, human resources development needs and monitoring mechanisms for the proposed interventions, (iii) meaningful stakeholder engagement initiatives and focus group discussions with civil society organizations, national and sub-national governments, private sector and local communities, (iv) baseline data collection for all indicators identified in the design and monitoring framework, (v) identification of specific areas to direct FIP support and consult with organizations currently working in those areas to assess feasible partnership arrangements, (vi) due diligence assessments (technical, economic, social [involuntary resettlement and indigenous peoples' impacts], environmental, risk, etc.) for project financing proposal and any necessary surveys, consultation and refinement for development of implementation plan, to provide options for procuring and managing the contracts, (vii) preparation of sample procurement documentation for the contracts and with Advance Action for both Consultant Recruitment and Procurement of Goods and Works for the critical items or components, and (viii) preparation of necessary documents for approval of grant funding by FIP sub-committee. The social and environmental studies will prepare reports on poverty and social assessment, environmental assessment, stakeholder communication strategy, and consultation and participation plan for local community engagement to ensure beneficiaries leverage full impact of the project's activities.

The expected impact of the project will be reduced GHG emissions from forests of West Kalimantan. The outcome will be improved capacity to implement REDD+ at sub-national levels. The project will have three outputs: (i) community-focused and gender-responsive REDD+ pilots in selected districts, (ii) improvement and implementation of provincial REDD+ strategy in West Kalimantan, and (iii) support for harmonization of sub-national policies on carbon stock improvement with national policies.

**Project Rationale and Linkage to Country/Regional Strategy**

Deforestation, forest degradation and unsustainable forest management account for up to 20% of greenhouse gas (GHG) emissions globally and up to 60% in Indonesia. Reducing emissions from deforestation and forest degradation, conservation and sustainable management of forests, and improvement of forest carbon stocks (REDD+) is thus critical to address climate change. Poor spatial planning, weak forest governance, and unclear land use rights continue to deplete forest assets and erode livelihood of local communities. As forests cover 70% of Indonesia's land area, the country's pledge to cut emissions by 26% from business as usual levels by 2020 with its own funds and by 41% with international support can be achieved only by protecting its forests.

The National Action Plan to reduce GHG emissions (released as a Presidential decree no. 61/2011 in September 2011) projects that total GHG emissions per year by 2020 would be 3.0GtCO<sub>2</sub>e, of which 1.6GtCO<sub>2</sub>e (53%) would be from LULUCF and peat lands. Therefore, reducing emissions from deforestation and forest degradation is critical to achieve the goals of National Action Plan to reduce GHG emissions, National REDD+ Strategy and West Kalimantan's provincial action plan to reduce emissions.

The project will promote inclusive growth and environmental sustainability, the two pillars of the ADB's Country Partnership Strategy (2012-2014) for Indonesia. It aligns with ADB Strategy 2020 and the Southeast Asia Department's climate change implementation plan. It provides strong links with other ADB projects on sustainable forest management and with projects of development partners, such as Australia, European Union, Germany, Japan, Norway, United Kingdom, the United States, and the World Bank Group. The project will invest in community-focused REDD+ activities (e.g., community-based land use planning, community-led forest monitoring and forest fire management, community-assisted forest regeneration and maintenance, community-based eco-tourism) in selected districts and/or forest management units (FMUs) to address deforestation drivers such as illegal logging, forest conversion to agriculture, and uncontrolled fires. The project will strengthen capacity of district and provincial governments in West Kalimantan, provide policy support to harmonize sub-national policies for carbon stock enhancement with national policies, and establish non-monetary incentives, safeguard systems and equitable and gender-responsive benefit sharing arrangements.

**Impact**

**Project Outcome**

Description of Outcome

Progress Toward Outcome

### Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary  
Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

**During Project Design** A series of meetings with stakeholders (government agencies, civil society, academia, private sector and development partners), mainly at the national level, took place on the design and implementation of the forest investment plan for Indonesia as part of small scale-capacity development technical assistance. The National Forest Council facilitated such dialogues. Stakeholder consultations were held on 27 and 28 June 2013, 17 July 2013, and during the FIP pilot countries' meeting held in Jogjakarta from 24 to 26 September 2013. Additional meetings were held in Jakarta in November 2013, in West Kalimantan (Pontianak, Sintang, Melawi) from 17 to 21 February 2014, and in Jakarta from 24 to 25 February 2014. An MOU between ADB and the Center for Environmental Quality and Standards of the Ministry of Forestry was signed in March. Following approval of PPTA on 2 June 2014, further consultations with a wide range of stakeholders were held in Sintang, Melawi, Kapuas Hulu and Pontianak in West Kalimantan in June, August and September 2014.

**During Project Implementation** Consulting firm for PPTA was selected. Kick-off meeting for the PPTA was held on 6 October 2014. Inception workshop was held on 5 November 2014. PPTA Interim workshop was held on 23 March 2015. Fact finding mission was held in April 2015. Additional consultations with stakeholders were held in April, May, July, and September 2015. Discussions with newly appointed staff in Ministry of Environment and Forestry were held in September 2015 and again in March 2016. Project documentation is complete. Grant negotiations with the Ministry of Finance and MOEF were held on 25 August 2016. PPTA is currently supporting the project start-up activities of the grant e.g. recruitment of the implementation consulting firm, establishment of project performance monitoring system.

## Business Opportunities

**Consulting Services** An international consulting firm will be engaged to implement the TA. ADB will recruit the firm using quality- and cost-based selection (90:10 to emphasize quality and technical aspects rather than cost) and simplified technical proposal in accordance with the ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). The consulting team will also conduct a detailed grant executing agency (EA) and implementing agency (IA) capacity assessment, and suggest a remedial action plan to build EA and IA capacity to minimize procurement and financial management risks. The consulting firm will be responsible for the administration of workshop training, seminars and conferences, and surveys under the PPTA. Equipment and assets purchased under the work will adhere to ADB's Procurement Guidelines (April 2010, as amended from time to time), and upon completion of the project, the assets will be turned over to the EA (MoFr).

## Responsible Staff

Responsible ADB Officer	Ancha, Srinivasan
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies	<i>Ministry of Forestry, Indonesia Gedung Manggala Wanabakt Blok VII Iantai 7 Jl. Gatot Subroto, Senayan, Jakarta 10270, Indonesia</i>

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	-

Approval	02 Jun 2014
Last Review Mission	-
Last PDS Update	30 Mar 2017

## TA 8660-INO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
02 Jun 2014	29 Aug 2014	29 Aug 2014	15 Mar 2015	15 Sep 2017	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	500,000.00	0.00	0.00	0.00	0.00	500,000.00	02 Jun 2014	473,127.34

Project Page	<a href="https://www.adb.org/projects/47084-001/main">https://www.adb.org/projects/47084-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=47084-001">http://www.adb.org/forms/request-information-form?subject=47084-001</a>
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