Meeting of the Board
18 – 21 August 2020
Virtual meeting
Provisional agenda item 11

GCF/B.26/02/Add.02

28 July 2020

Consideration of funding proposals - Addendum II

Funding proposal package for FP130

Summary

This addendum contains the following seven parts:

a) A funding proposal titled "Indonesia REDD-plus RBP for results period 2014-2016";
b) No-objection letter issued by the national designated authority(ies) or focal point(s);
c) Environmental and social report(s) disclosure;
d) Secretariat's assessment;
e) Independent Technical Advisory Panel's assessment;
f) Response from the accredited entity to the independent Technical Advisory Panel's assessment; and
g) Gender documentation.

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Funding Proposal

REDD-plus results based payments

Version 1.0

Accredited entities are expected to develop a funding proposal in close consultation with the relevant national designated authority and REDD-plus entity/focal point, in response to the request for proposals for the Pilot Programme for REDD-plus results-based payments (Decision B.18/07). The funding proposal should follow the terms of reference of that Board decision and will be assessed per Stage 2 (sections 2 – 5) of the scorecard annexed to the same Board decision.

Programme Title:	Indonesia REDD-plus RBP for results period 2014-2016
Country:	Indonesia
Results period in this proposal:	2014 – 2016
National Designated Authority:	Fiscal Policy Agency, Ministry of Finance
REDD-plus entity/focal point	Directorate General for Climate Change, Ministry of Environment and Forestry
Accredited Entity:	UNDP
Date of first submission/ version number:	*[2019-11-08] [V.1]*
Date of current submission/ version number	*[2020-05-27] [V.7]*

GREEN CLIMATE FUND

Please submit the completed form to **fundingproposal@gcfund.org**
Please use the following naming convention in the subject line and file name:
"[Country] REDD+RBP FP-[Accredited entity]-yyyymmdd"

A. Proposed and projected REDD-plus results

Please provide the following information:

<table>
<tr><td>Total volume of REDD-plus results achieved in the results period as reported in the country's BUR technical annex (tCO_2eq):</td><td>Indonesia reported in the BUR technical annex the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation for 2013–2017, calculated against the FREL, which amount to emission reductions of 48,978,427 tCO_2 eq annually (average of annual emissions) and 244,892,137 tCO_2 eq as the total for 2013–2017. The reference period applied for the construction of the UNFCCC technically assessed FREL was 1990-2012.

Indonesia has taken note that the UNFCCC reference period exceeds the maximum of 20 years, as indicated in the GCF REDD+ RBP scorecard, in 2a(xiii). Following the guidance contained in footnote 22 of row 2a(xiii) of the scorecard, Indonesia has recalculated its reference level based on a period of 20 years. The results corresponding to the recalculated FREL for the purpose of this funding proposal amount to 144,989,856 tCO_2 eq, or 48,329,952 tCO_2 eq annually for the 2014 – 2016 period. More details can be found in Annex XVII of this funding proposal.

Years 2013 and 2017 have been excluded from this funding proposal. The 2013 results are not eligible for the GCF RBP programme. The 2017 results have been negotiated as part of the Indonesia/Norway Partnership. Only the period 2014-2016 was considered for determining the volume to be offered to the GCF for REDD+ RBP.</td></tr>
<tr><td>A= Achieved volume of REDD-plus results offered to the pilot programme in this proposal (tCO_2eq):</td><td>9 million tons CO_2 eq/ year for the period of 2014 – 2016. The total volume offered for these three years is equivalent to approximately 19% of the total volume available for these years, based on the recalculations described above and further elaborated in Annex XVIII.

<table><tr><th>Year</th><th>tCO_2eq</th></tr><tr><td>2014</td><td>9 Mt</td></tr><tr><td>2015</td><td>9 Mt</td></tr><tr><td>2016</td><td>9 Mt</td></tr><tr><td>Total</td><td>27 Mt</td></tr></table></td></tr>
<tr><td>B= Expected volume of REDD-plus results to be achieved in the following years of the eligibility period (tCO_2eq):</td><td>97,415,658.03 tons CO_2 eq in year 2018 according to preliminary estimates</td></tr>
<tr><td>A+B =Total volume expected to be submitted to the pilot programme (tCO_2eq):</td><td>36 million tons CO_2 eq in total (average of 9 million tons CO_2 eq/ year)

<table><tr><th>Year</th><th>t CO_2 eq</th></tr><tr><td>2014</td><td>9 Mt</td></tr><tr><td>2015</td><td>9 Mt</td></tr><tr><td>2016</td><td>9 Mt</td></tr><tr><td>2017</td><td>0 Mt to offer (2017 results negotiated as part of Norway/Indonesia Partnership)</td></tr><tr><td>2018</td><td>9 Mt</td></tr><tr><td>Total</td><td>36 Mt</td></tr></table></td></tr>
</table>

B. Carbon elements

B.1. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)

Please provide link to the FREL/FRL submission:
https://redd.unfccc.int/files/frel_submission_by__indonesia_final.pdf

Please provide link to the UNFCCC Technical Assessment Report:
https://unfccc.int/resource/docs/2016/tar/idn.pdf

Indonesia's FREL reference period exceeds the maximum of 20 years, as indicated in the GCF REDD+ RBP scorecard (2a(xiii)). Following the guidance contained in footnote 22 of row 2a(xiii) of the scorecard, Indonesia recalculated its reference level based on a period of 20 years (1993-2012). This is exclusively for the purpose of this funding proposal and does not impact the UNFCCC FREL or results having already been submitted or reported in the BUR technical annex, and technically assessed or analysed, respectively. It does not pre-empt future submissions to the UNFCCC by Indonesia. The 20-year reference period of 1993 – 2012 was selected by Indonesia as the 20-year FREL baseline because it is as consistent as possible with the UNFCCC FREL period.

To meet the requirements of the GCF RBP pilot programme, which does not allow for projected emissions from non-HFLD countries, an annual average was generated and applied to the shorter period for all activities and carbon pools. The exclusive purpose for this application of an annual average is the GCF pilot and to ensure alignment with its TORs. It is Indonesia's view that this approach does not well represent the very nature of emissions from soil organic carbon in peatlands, which tend to increase overtime due to accumulating, or inherited, emissions. Indonesia has included soil organic carbon emissions from peat decomposition in the UNFCCC FREL in the spirit of completeness, despite the fact that its omission from the FREL would have been justified by the high level of uncertainty associated with these emissions. Indonesia would like to highlight that the scorecard does not consider this very important element of its own national circumstances.

More details can be found in section B.1.2 of this funding proposal.

B.1.1. UNFCCC Technical Assessment and Analysis process

(i) Consistency of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the FREL/FRL with the GHG Inventory, including the definition of forest used. If the report identifies inconsistencies, explain these inconsistencies between the GHG inventory and FREL/FRL, and describe how they will be resolved in the next GHG inventory or FREL/FRL.*

In 2015, Indonesia, on a voluntary basis, proposed a national FREL based on average historical emissions from 1990 to 2012 and covering the activities reducing emissions from deforestation and reducing emissions from forest degradation. The national FREL was submitted to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, and successfully went through a technical assessment by UNFCCC experts in 2016. The FREL includes only natural forests in Indonesia's national territory, which covered an area of 113.2 million hectares in 1990, comprising up to 60 per cent of the national territory and 78.6 per cent of the country's total forest land in 1990 (plantation forests are excluded). The UNFCCC assessed FREL of Indonesia is 568,859,881 t CO_2 eq for 2013 but increases annually because of accumulating emissions from peat decomposition, reaching 593,329,235 t CO_2 eq for 2020. Following the ITAP assessment, this has been modified to a single annual average value as the recalculated FREL (568,988,033 t CO2 eq), for the purpose of this funding proposal. More information can be found in section B.1.2 of this funding proposal.

In the *Report on the technical assessment of the proposed forest reference emission level of Indonesia submitted in 2016*, issued 25 November 2016, the Assessment Team, or AT, commended Indonesia for establishing overall consistency of data sources between the FREL and the national greenhouse gas (GHG) inventory, given that the first biennial update report (BUR1) of Indonesia and the FREL use the same principal data sources. The emission factors are derived from the national forest inventory (1990–2013). Key activity data are a time series of land-cover maps for 1990–2014. Both the FREL and the GHG inventory rely on the 2006 IPCC Guidelines and the Wetlands Supplement.

The AT did note that Indonesia's FREL applied a different forest definition than that used in the national GHG inventory contained in Indonesia's first BUR, pointing out that in addition to the six natural forest classes contained in the FREL, the GHG inventory includes information about plantation forests. In the modified FREL submission, however, Indonesia addressed consistency concerns. As explained in the exchanges with the AT, during the TA, the definition of forest is not being changed in the FREL, but rather excluding the plantations

given the objectives of REDD+ and the focus on natural forests. Indonesia explained that what is applied can be considered a "working definition" that also considers the concept of practicality and cost-effectiveness associated with measuring REDD+ performance in the future. The AT commended Indonesia in the TAR for including this additional explanation of the forest definition in the modified FREL submission.

(ii.a) Data source of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the data used for to the construction of the FREL/FRL, specifying whether the FREL/FRL is based on historical data and is equal to or below the average annual historical emissions during the reference period.*

The activity data used for the construction of the FREL are land-cover data from the National Forest Monitoring System (NFMS), which are publicly available on the NFMS website (http://webgis.menlhk.go.id:8080/nfms_simontana/). These official data describe land-cover classes and forest-cover change over the years, which have been developed and updated regularly since 2000. In addition, data from the 1990s were added to the NFMS (from freely available Landsat satellite data archives). The ongoing efforts of improvement on land cover mapping program since 1990s using satellite imagery and established as a system in 2000, has become a success story that credibly monitored deforestation over years and become one of the important datasets to establish the national FREL. A national MRV system on climate change mitigation which is specific for the land-based sector and is supported by the NFMS has also been developed since 2015. The national MRV system now has a legal basis through the enactment of the Ministerial Regulation No. 70/2017 on REDD+ procedure and No. 72/2017 on MRV system. In addition, the Ministerial Regulation No. 71/2017 on National Registry System has been authorized to complete the requirement of MRV system.

For its FREL submission, Indonesia used data sets for years 1990, 1996, 2000, 2003, 2006, 2009, 2011 and 2012 to capture historical land-cover data. The wall-to-wall land-cover maps that serve as activity data were produced by the Ministry of Environment and Forestry, using Landsat satellite images. The images were digitized manually by visual interpretation. The peatland spatial data used in the construction of the FREL were provided by the Ministry of Agriculture, and were based on several related maps, field surveys and ground checks.

Deforestation and forest degradation activity data were quantified by overlaying maps from different time points. In a first step, for each of the time points, a set of satellite images was used to generate land cover maps. In a second step, areas of change were determined from overlaying these maps with others. During the technical assessment, the AT pointed out that direct comparison of satellite images would reduce the sources of errors and is seen as best practice in remote sensing analysis. Indonesia acknowledged that such an approach is often considered to generate better results but explained that processing data for the complex land-cover information of the whole country and for the long timeframe in question would be highly challenging and would require extensive ground truthing. Indonesia highlighted, however, its plans to improve land-use and land-cover mapping. The AT acknowledged this explanation and commended Indonesia for these efforts, agreeing that moving from single-date interpretation to interpretation techniques for time series of satellite images is an area for improvement. The AT also commended Indonesia for its efforts to compile land-cover databases using automated interpretation approaches across a long time series of satellite images and to improve the existing NFMS.

The primary source of data used to derive emission factors for deforestation and forest degradation was the national forest inventory (NFI), complemented by additional research plots to fill information gaps for certain forest types (e.g. mangrove forest) for which there were not a sufficient number of NFI plots. As part of the Indonesia NFMS, the National Forest Inventory (NFI) program is implemented since 1986. The terrestrial NFI plots were utilized to generate a national database on aboveground biomass and thus emission factors, which were used to construct the national FREL. The NFI uses more than 3,900 clusters of sample plots, with each cluster consisting of a permanent sample plot of 1 ha surrounded by eight temporary sample plots. Emission factors for peat decomposition were taken from the IPCC Wetlands Supplement, which, as Indonesia explained to the AT, were mostly derived from data from Indonesia and can therefore be considered suitable for estimating emissions from peat decomposition in the FREL. In the submission, Indonesia reports that 4,450 measurements of permanent sample plots were available for calculations, complemented by additional forest research data. Despite the large number of plots, the AT noted that there are still gaps for individual strata.

Indonesia is constantly working to improve its data and information on forests. Indonesia's submission highlights ongoing work to improve the NFI and to refine the set of emission factors. The AT acknowledges these plans and agrees that improving the set of emission factors is an area for improvement. In addition, specific areas, namely PAA (Performance Assessment Area, or WPK in Indonesian) where REDD+ activities will be measured, reported and verified, have been identified. The PAA was generated based on the natural forest extent in the

end of 2012 and distribution of forested peat land in 1990. An adjusted version of the linear regression equation to estimate emissions from peat decomposition was deemed necessary. A new equation using a non-linear model has also been developed and introduced to properly update the previous emission projection for peat decomposition, which Indonesia recognized as needing improvement and which the LULUCF experts had agreed with and acknowledged. Demonstrating responsiveness to this finding, the new equation is being considered in the context of the 2nd FREL process. Indonesia intends to submit a national FREL to the UNFCCC in 2020 (see B.1(iii) below for more details).

To meet the requirements of the GCF RBP pilot programme, which does not allow for projected emissions from non-HFLD countries, an annual average was generated and applied to the recalculated FREL for all activities and carbon pools. The exclusive purpose for this application of an annual average is the GCF pilot and to ensure alignment with its TORs. It is Indonesia's view that this approach does not rightly represent the very nature of emissions from soil organic carbon in peatlands, which tend to increase overtime due to accumulating emissions. Indonesia has included emissions from soil organic carbon in peatlands in the UNFCCC FREL in the spirit of completeness. Its omission from the FREL would have been justified by the high level of uncertainty associated with these emissions. **Indonesia would like to highlight that the scorecard does not consider this very important element of its own national circumstances.**

(ii.b) If a country is considered HFLD: *Please provide the basis/justification for this classification.*

Indonesia is not considered an HFLD, so this criterion is not applicable.

(ii.c) FREL/FRL adjustments for a HFLD country: *If adjustments made, please provide information that the adjustment does not exceed 0.1% of the carbon stock over the eligibility period in the relevant area and/or exceed 10% of the FREL/FRL to reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period*

The ToR for the pilot program does not allow for projections from non-HFLD countries. Indonesia would like to highlight that the scorecard does not consider the nature of soil organic carbon emissions from peat decomposition, which is considered a very important element of its own national circumstances.

(iii) FREL/FRL in accordance with 12/CP.17: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the quantified estimate of the FREL/FRL. Include whether the FREL/FRL was constructed in accordance with the guidelines in Decision 12/CP.17; specifically on the modalities for FREL/FRL and whether the raised issues were material or not material to the quantified estimate of the FEEL/FRL.*

In the TAR, the AT noted that the data and information used by Indonesia in constructing its FREL are transparent, complete, and in overall accordance with the guidelines contained in the annex to decision 12/CP.17. The methods used by Indonesia are consistent with the Intergovernmental Panel on Climate Change (IPCC) Good Practice Guidance for Land Use, Land-Use Change and Forestry (hereinafter referred to as the IPCC good practice guidance for LULUCF) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (hereinafter referred to as the 2006 IPCC Guidelines), as applied to the construction of the FREL. For the estimation of emissions from peat decomposition the 2013 Supplement to the 2006 Guidelines for National Greenhouse Gas Inventories: Wetlands (hereinafter referred to as the Wetlands Supplement) was used.

In its submission, Indonesia stated that it has applied a stepwise approach to the development of the FREL, in accordance with decision 12/CP.17, paragraph 10, with the aim of improving the FREL by incorporating better data, improved methodologies and, where appropriate, additional pools. The submission lists a few areas for technical improvement, such as refining activity data and emission factors, estimating peatland fire emissions and including additional REDD+ activities. Current efforts are underway to implement these improvements, starting with the re-submission of a national FREL at the end of 2020. This new FREL is expected to include the following improvements: inclusion of post-conversion removals following deforestation; improvements to forest emission factors (carbon stock) by adding data from recent research and plot measurements (especially for mangrove forest); inclusion of other significant carbon pools: belowground biomass, soil organic carbon (Mangrove Forest and peat fires); inclusion of an additional REDD+ activity (enhancement of forest carbon stocks).

Quality assurance and quality control (QA/QC) procedures for the FREL data and calculations were carried out. In the case of quality control, this was conducted by the relevant data custodian. For land cover data, this was the responsibility of the Directorate of Forest Resources Inventory and Monitoring, Directorate General of Forestry and Environmental Planning, while for peat decomposition, this is handled by the Indonesian Center for Agricultural Land Resources Research and Development of the Ministry of Agriculture. In the case of quality assurance, expert assessments were carried out for both for the activity data as well as the emission factors consultation. Experts included scientists from other government agencies like Forestry Research and Development Agency (FORDA) as well as from academic institutions such as Bogor Agriculture University.

These calculations were carried out with the aim to align the data and information presented by Indonesia with the guidance contained within the relevant COP decisions including transparency, accuracy, completeness and consistency of data.

(iv) FREL/FRL transparency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the transparency of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues that were not material to the transparency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.*

Regarding transparency, the AT noted that the data and information used by Indonesia in constructing its FREL are transparent, complete, and in overall accordance with the guidelines contained in the annex to decision 12/CP.17. The AT noted that the transparency and completeness of information improved significantly in the modified FREL submission, without the need to alter the approach or values used to construct the FREL. The AT commended Indonesia for the efforts made in this regard.

The AT acknowledged that during the TA, Indonesia provided a large amount of background information and material, including land-cover matrices for peatlands. The AT noted the immense effort that Indonesia undertook in building the time series of land-cover maps.

To enhance transparency, Indonesia has developed and made available online the following reports with more details about the REDD+ submissions process, including roadmaps for improvement of the data and policies related to REDD+:

1. Indonesia Report on REDD+ Performance, Directorate General of Climate Change, Ministry of Environment and Forestry, Republic of Indonesia, 2018, available at: http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/Book_IRPR_KLHK_B5_revisi_4_opt.pdf
2. Proses Technical Assessment: Forest Reference Emission Level, Indonesia Pada Tahun 2016, Direktorat Inventarisasi GRK Dan MPV and Direktorat Jenderal Pengendalian Perubahan Iklim, Kementerian Lingkungan Hidup Dan Kehutanan, 2018, available at: http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/igrk/13-buku_proses_TA_B5.pdf

These as well as related documentation may be accessed here: http://ditjenppi.menlhk.go.id/peraturan-perundangan.html.

(v) FREL/FRL completeness: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the understanding of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues that were not material to the completeness of the FEL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions. Include information that allows for the reconstruction of the FREL/FRL.*

Regarding completeness, it is important to reiterate that the AT noted that the data and information used by Indonesia in constructing its FREL are transparent, complete and in overall accordance with the guidelines contained in the annex to decision 12/CP.17. The AT acknowledged that Indonesia included emissions from deforestation and forest degradation in the FREL, which are the two most significant REDD+ activities in Indonesia. The TA report also states that the FREL limits its scope to aboveground biomass and soil organic carbon on organic soils, and to CO_2, which are the most significant pools and gas in terms of emissions from forests. The AT commended Indonesia for the information provided on its ongoing work in the development of the FREL and improving the coverage of the estimates.

Indonesia has included emissions from soil organic carbon in peatlands in the UNFCCC FREL in the spirit of completeness, despite the fact that its omission from the FREL could have been justified by the high level of

uncertainty associated with these emissions. Indonesia would like to highlight that the GCF pilot programme scorecard does not consider the fact that the emissions from soil carbon in peatland accumulate over the years and by nature tend to increase over time, due to the inherited emissions, which is a very important element of Indonesia's national circumstances.

One area of further improvement identified by the AT was the assessment of whether post-conversion removals are significant and could be considered when estimating emissions from deforestation. As part of the process to improve its data in a stepwise manner, Indonesia is now compiling emission factors of non-forest land cover classes to be elaborated in estimating net emission from deforestation. This is being carried out in the context of the current efforts to implement improvements, as part of the re-submission of a national FREL at the end of 2020.

In its FREL submission Indonesia stated that further improvement may be carried out to the current estimates (i.e. more detailed estimates on deforestation and forest degradation) as well as the inclusion of other REDD+ activities (i.e. conservation of forest carbon stock, sustainable management of forest and enhancement of forest carbon stock), when more and better data and better methodologies become available, noting the importance of adequate and predictable support as referenced by decision 1/CP.16, paragraph 71.

(vi) FREL/FRL consistency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the methodology used over the time series used for the construction of the FREL/FRL, and whether significant issues were raised in the report and resolved. If applicable, provide a plan to address and overcome issues that were not material to the consistency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.*

The activity data for deforestation and forest degradation used for the construction of Indonesia's FREL, generated from the available national forest monitoring system, are methodologically consistent over time: the FREL employs the nation-wide land cover data set which was generated using the same methods/approaches since the establishment of the system in 2000, and then also applied backwards in time to the 1990s.

The AT acknowledged the immense effort that went into building the time series of land-cover maps but noted that maintaining a consistent interpretation approach across diverse interpreters is very difficult and that this is a potential source of the observed discontinuity. In response, Indonesia explained that it is exploring ways to develop the existing NFMS, for example by combining automated methods and visual interpretation, in order to improve the land-cover data. In line with this, in the view of the AT, improving quality management is an area for improvement. The AT commended Indonesia for its efforts to compile land-cover databases using automated interpretation approaches across long time series of satellite images and to improve the existing NFMS. Introducing automated processing may help to ensure a coherent interpretation. As part of its efforts to continuously improve its technical information, Indonesia is already applying an integrated system, combining automated detection for the changes and visual approaches for the land cover types, though due to the needs of detailed information for national purposes, Indonesia would not completely migrate the system from visual into automated interpretation.

A set of satellite images was used to generate land cover maps. In a second step, changed areas were determined by overlaying these maps with others. As noted above in Section ii(a), the AT pointed out that direct comparison of satellite images would improve consistency and accuracy, reducing the sources of errors. Indonesia acknowledged that such an approach is often considered to generate better results, but explained the challenges, given that processing data for the complex land-cover information of the whole country and for the long timeframe in question would be highly challenging and would require extensive ground-truthing. As explained above, Indonesia highlighted its plans to improve land-use and land-cover mapping, and the AT acknowledged this explanation and commended Indonesia for these efforts.

Activity data were developed with more consistent and more accurate data on land cover and land cover changes, and over a longer time period, compared to earlier FREL initiatives. The Ministry of Forestry data sets available at the time of constructing the FREL to be submitted to the UNFCCC were thoroughly scrutinized by checking and comparing the consistency with other available data, e.g. forest and non-forest data from LAPAN (Aeronautics and Space Agency of Indonesia) presented in Land Cover Change Analysis (LCCA); as well as to other similar products that have been published in peer reviewed international journals (Margono et al., 2014; Hansen et al., 2013).

The updated emission factors better reflect the diversity of forest types and conditions, compared to earlier FREL initiatives. Furthermore, the data used in this submission have been thoroughly scrutinized in terms of

clarity, comprehensiveness, consistency, and comparability – a step that was not done in the previous FREL initiatives.

Additionally, it is important to note that the activities and carbon pools used for the FREL calculation is also consistent with national standards for calculation and monitoring of emission reductions, avoided emissions or enhancement of forest carbon stocks. Several Indonesian National Standards (Standard Nasional Indonesia-SNI) for measuring and monitoring forest carbon have been issued by the National Standardization Agency of Indonesia (BSN) in collaboration with MoFor, and these follow the IPCC 2006 Guidelines.

(vii) FREL/FRL accuracy: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the accuracy of the FREL/FRL and whether significant issues were raised and resolved. This should include information on whether the data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the accuracy of the FREL/FRL and that couldn't be resolved due to time and data restrictions.*

The AT commended Indonesia for the information provided on its ongoing work in the development of the FREL and improving the accuracy of the estimates.

Indonesia has included in its FREL submission the most significant activities and carbon pools, also considering the extent to which the data that was available and was considered accurate. By using current land-cover data derived from historical Landsat images (TM, ETM, OLI), it is possible to detect deforestation with good accuracy, but it is still problematic to monitor different degrees of forest degradation with the same level of confidence. Indonesia recognizes that the accuracy of biomass estimates from degraded forests could be increased and the level of forest degradation could be better quantified.

Emissions from deforestation and forest degradation primarily originate from the aboveground biomass (AGB) pool. AGB is the most studied carbon pool across forest ecosystem types in Indonesia, which allows more accurate calculations of carbon emissions using Tier 2 or Tier 3. AGB data are widely available in Indonesia and comparable across the national scale. AGB can be estimated from forest inventory or sample plot data using allometric equations. Uncertainties from activity data of forest degradation and deforestation were derived from the overall accuracy assessment of land cover maps against 181 ground truth points. The land cover assessment was conducted for all 23 classes of the 2011 land cover map and the results found an overall accuracy of 88% of the map and 98% for aggregated classes of forest and non-forest (MoFor, 2012, Margono et al., 2012).

According to Indonesia's FREL submission, additional work to assess the accuracy of change analysis data is already planned and it will be expedited soon. Improvements were already made in the REDD+ technical annex (See Section B.2). Since the AGB emissions calculations use Tier 2, the uncertainty levels for forest degradation and deforestation are lower than that of peat emissions. For peat decomposition, uncertainty of activity data was derived from the overall accuracy of the peat land mapping (80%) (Ritung et al. 2011), while the IPCC guideline 2013 default values (IPCC 2014) were adopted as uncertainty values of emission factors. While this high level of uncertainty in peat emissions could have been a justification for its exclusion from the FREL, Indonesia decided to include it to ensure completeness and transparency of information. The average uncertainty for all emissions is 16.1%.

- Activity data: to improve accuracy and consistency in satellite image interpretation, time series satellite images could be directly compared (rather than analysing satellite images for time points individually by overlaying maps to detect changes) and automated image processing techniques could be introduced. Efforts are underway in Indonesia to establish:
    - a new system for accuracy assessment of land-cover mapping from remote sensing data.
    - an annual forest fire map from Landsat starting from 2000 (using visual interpretation of burn scars). Advancing remote sensing technology to improve burn scars and depth of burn estimation mapping to increase the accuracy of peat fire emission calculations so that these estimates can be included in a future FREL.
- Plans to improve the NFI and to refine the set of emission factors: Indonesia is now working by focusing data of carbon stocks and emission factors from NFI plots specifically for mangrove forests. Meanwhile Indonesia is also under a process of conducting the NFI re-design, to have more terrestrial data and information in accurate and effective ways.
- Improve the data on peatland: Indonesia has made progress to improve the peatland activity data, by developing detailed, higher-resolution maps of peatland areas, which is being piloted at the district

level. This work is being undertaken by the Ministry of Agriculture. The Peatland Restoration Agency is also updating maps of peatland canals.

- Move from overall map accuracy to classification accuracy of individual classes or differentiating sampling errors between the individual forest classes. Efforts are underway in Indonesia to test and exercise uncertainty analysis that fits the data, approach and methods used in Indonesia. Sample-based estimation is one of the approaches that have been tested.

(viii) Sources of emissions: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to whether all activities listed in paragraph 70 of UNFCCC decision 1/CP.16 ('REDD-plus activities') that are a significant source of emissions were included. If they were not, justify whether activities that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimate removals. Provide also a plan to include all data on all REDD-plus activities that are significant sources of emissions in future FREL/FRL submissions.*

The AT acknowledged that Indonesia included in its FREL emissions from both deforestation and forest degradation, which are the two most significant REDD-plus activities in Indonesia.

In its FREL submission, Indonesia states that further improvements may be carried out to the current estimates (i.e. more detailed estimates on deforestation and forest degradation) as well as the inclusion of other REDD+ activities (i.e. conservation of forest carbon stock, sustainable management of forest and enhancement of forest carbon stock), when more and better data and methodologies become available, noting the importance of adequate and predictable support as referenced by decision 1/CP.16, paragraph 71. As explained in Indonesia's FREL submission, the other three REDD+ activities were excluded due to data gaps. Indonesia is undertaking efforts to improve understanding related to enhancement of C stocks, with a view to include enhancement as an additional REDD+ activity in the re-submission of a national FREL at the end of 2020.

(ix) Significant pools: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the inclusion of the most significant pools. If applicable, justify whether significant pools were not included due to lack of data and/or the omission does not overestimate emissions or underestimate removals. In addition, provide a plan to include all significant pools in future FREL/FRL submissions.*

The carbon pools included in Indonesia's FREL were aboveground biomass for all strata and soil organic carbon emissions from peatland decomposition associated with deforestation and forest degradation on peatlands. Belowground biomass, litter and deadwood were not included in calculations because the necessary data were unavailable,

Indonesia included in its FREL submission the most significant carbon pools, considering the extent to which available data were considered accurate. AGB is an important carbon pool for LULUCF emissions. AGB and soil organic carbon are dominant pools compared to the others (i.e. belowground biomass, deadwood, litter and mineral soil C). Moreover, the existing records in Indonesia regarding the other carbon pools were very limited. Review on the proportion of carbon pools showed that the biomass proportion of understory vegetation and seedlings is generally small. Similarly, litter is accounted for only about 2% from the total forest biomass.

Without neglecting the importance of belowground biomass, some underlying reasons presented by Indonesia on its FREL submission to focus only on aboveground biomass carbon pools were:

1. Emissions from deforestation and forest degradation are primarily originated from AGB pool. AGB accounts for more than 70% of the total forest biomass, excluding soil. AGB is the most studied carbon pool across forest ecosystem types in Indonesia, which allows more accurate calculation of carbon emissions using Tier 2 or Tier 3 and which is comparable throughout the national scope. AGB data are widely available and can be estimated from forest inventory or sample plot data using allometric equations. Many studies on allometric equations for estimating aboveground tree biomass in Indonesia are available (e.g. Yamakura et al., 1986; Ketterings et al., 2001; Chave et al., 2005; Basuki et al., 2009; Krisnawati et al., 2012; Manuri et al., 2014).
2. Indonesia has a nearly complete estimation of AGB values at the national level, managed by the Ministry of Forestry (now Ministry of Environment and Forestry). It is based on forest inventory results from the National Forest Inventory (NFI) Field Data System that covers the entire forests across Indonesia measured since 1990s.
3. The Forest Research and Development Agency (FORDA) within the Ministry of Environment and Forestry in collaboration with the Forest Carbon Partnership Facility (FCPF) has established an online

carbon monitoring system in 13 Provinces (http://puspijak.org/karbon/). The system estimates AGB based on permanent sample plots established at various vegetation types.

Based on the preliminary data from the Indomalaya ecozone, the AT found that deadwood and belowground biomass pools would likely be significant sources of emissions. The AT considered treatment of emissions from belowground biomass carbon, deadwood and soil organic carbon to be an area for technical improvement. The exclusion of litter is considered justified, however, given the low biomass volume, which is indicative of low significance. Belowground biomass is being considered for inclusion in the resubmission of the national FREL to the UNFCCC planned for 2020.

The inclusion of soil organic carbon emissions on deforested or degraded peat was a very important effort made by Indonesia, as it is a significant carbon pool. This demonstrates Indonesia's intention to make its information more transparent and complete even though it is recognized that emission factors from peatland still require improvement. Due to the complex processes in peatland ecosystems, their mutual relationship with land cover and limited data availability, its FREL submission is limited to the inclusion of emissions from peat decomposition.

In its submission, Indonesia applies a stepwise approach to the development of the FREL, in accordance with decision 12/CP.17, paragraph 10, with the aim of improving the FREL by incorporating better data, improved methodologies and, where appropriate, additional pools. The submission lists a number of areas for technical improvement, such as refining activity data and emission factors, estimating peatland fire emissions and including additional REDD-plus activities.

(x) Emissions from gases: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the inclusion of all gases that are significant sources of emissions. If not all of the gases were included, justify whether gases that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimates removals. Provide also a plan to include all significant pools in future FREL/FRL submissions.*

Indonesia's FREL included only CO_2 emissions and did not cover emissions of other GHGs as CO_2 contributes more than 99.9 per cent of total GHG emissions from LULUCF. The AT agreed, as captured in the TAR, that CO_2 is the most significant gas in terms of emissions from forests, and commended Indonesia for the information provided on its ongoing work in the development of the FREL and improving the accuracy and coverage of the estimates. The AT considers that Indonesia generally followed decision 1/CP.16, paragraph 70, on activities undertaken, paragraph 71(b) and decision 12/CP.17, paragraph 10, on implementing a stepwise approach.

The AT also noted that, according to Indonesia's first BUR as well as its second national communication, fires occur frequently in the country and these could result in large amounts of non-CO_2 emissions, on peatland forests. The AT considers the inclusion of non-CO_2 GHG emissions an area for technical improvement. Indonesia's FREL explained that peatland fires have not been included in the FREL owing to the complexity and high uncertainty of related activity data. There is a high level of uncertainty associated with all parameters (hotspot detection, size of burned area estimation, fire frequency, burned peat depth, and mass of fuel available for combustion). As Indonesia explained in the FREL submission, it has plans to include peatland fires in the FREL in the future. As shared with the LULUCF experts during the TA, Indonesia has already been making progress on peat land fire emission estimates by collating new findings from published peer reviewed literature. Advancing remote sensing technology to improve burned scar and peat depth of burn estimation mapping will increase the accuracy of peat fire emission calculations so that these estimates may be included as an improvement in a future FREL. Progress has already been made to develop a methodology applying manual analysis of MODIS data, for "hot spots" and yearly burned scar areas.

(xi) IPCC guidance for FREL/FRL*: Please indicate if the whether the construction of the FREL/FRL (data, methodologies and estimates) was guided by 2003 GPGs or 2006 GLs.*

The methods used by Indonesia are consistent with the Intergovernmental Panel on Climate Change (IPCC) Good Practice Guidance for Land Use, Land-Use Change and Forestry (hereinafter referred to as the IPCC good practice guidance for LULUCF) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (hereinafter referred to as the 2006 IPCC Guidelines), as applied to the construction of the FREL. For the estimation of emissions from peat decomposition the 2013 Supplement to the 2006 Guidelines for National Greenhouse Gas Inventories: Wetlands (hereinafter referred to as the Wetlands Supplement) was used.

(xii) Issues related to applying IPCC guidance: *Please mention any significant issues related to the application of IPCC GLs/GPGs as raised in the TA report. Include any significant issues that are material to the alignment with the methodologies of the IPCC GLs/GPGs that were raised in the TA report and whether significant issues were raised and resolved. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the application of IPCC guidance and that couldn't be resolved due to time and data restrictions.*

There was only a single, specific issue raised regarding the application of IPCC guidance, however, in response, a clear plan for data improvements was already identified.

Indonesia's FREL includes soil organic carbon emissions from decomposition associated with deforestation and forest degradation on peatlands. These emissions are calculated for all areas of deforestation or forest degradation that occur on peatlands, which means the FREL does not distinguish areas with and without drainage. The AT noted that the emission factors from the Wetlands Supplement are intended to be applied only to "drained organic soils."

During the facilitative exchange for the TA, Indonesia explained, however, that given the national context - that deforestation and forest degradation on peatlands are usually accompanied by drainage, that Indonesia, therefore, considers the treatment of all secondary forests as drained forests, a justifiable approach when applying the IPCC guidance. Indonesia also included information in the modified FREL submission explaining that it is impossible to trace back the negligibly small areas of undrained secondary peat forest.

Indonesia plans, however, as noted in its FREL submission, to improve the data on peatlands, chiefly regarding emission factors and their dependence on the water table. The AT acknowledged these plans and agrees that collecting more detailed data on the management of peatlands is an area for improvement.

B.1.2. Additional criteria related to FREL/FRL

(xiii) Reference period for the FREL/FRL: *Please indicate the reference period (number of years) applied for the construction of the FREL/FRL.*

The reference period applied for the construction of the UNFCCC technically assessed FREL was 1990-2012.

However, Indonesia has taken note that this reference period exceeds the maximum of 20 years, as indicated in the GCF REDD+ RBP scorecard, in 2a(xiii). The scorecard is a required assessment as part of the terms of reference for the pilot programme for REDD+ results-based payments and is contained within Annex XI and XII to GCF/B.18/23. Following the guidance contained in footnote 22 of row 2a(xiii) of the scorecard, Indonesia has recalculated its reference level based on a historical annual average for a period of 20 years. The 20-year reference period being applied for this proposal is, therefore, 1993 – 2012.This is exclusively for the purpose of this funding proposal and does not impact the UNFCCC FREL or results having already been submitted or reported in the BUR technical annex, and technically assessed or analysed, respectively. It also does not pre-empt future iterations of FRELs or results to be submitted to the UNFCCC by Indonesia in the future. Details on the recalculation of the 20-year FREL baseline are presented in Annex XVII.

Indonesia selected the 20-year FREL baseline because it is as consistent as possible with the UNFCCC period, while still meeting the requirements of the GCF REDD+ RBP pilot programme.

It was important for Indonesia to maintain a FREL period for this funding proposal of a length that would be as close as possible to the length of the UNFCCC technically assessed FREL period of 1990-2012.

The UNFCCC technically assessed FREL reference period was selected, based on a thorough analysis which considered the following aspects:

(1) availability of land-cover data that is transparent, accurate, complete and consistent;
(2) reflection of the general condition of forest transition in Indonesia;
(3) the length of time that could reflect the national circumstances, policy dynamics and impacts (biophysical, social, economic, political and spatial planning), as well as associated carbon emissions.

As described in Indonesia's FREL submission to the UNFCCC, five different scenarios for the FREL period were considered, considering the trends, availability and reliability of historical data. The 1990-2012 period was selected as it best illustrates and captures the national circumstances of the land use sector in Indonesia, including the policy dynamics and social aspects.

As detailed in the FREL submission, Indonesia established an intensive forest plantation development in 1990s. Capturing this decade is important because during this time the country initiated a massive forest-based industry, such as wood-fiber industry and forest estates (plantations). This time period also covers the economic crisis in 1998 when almost all sectors collapsed, including the forestry sector, resulting in increased illegal logging activities and forest encroachments on the ground. Additionally, there was rapid expansion of palm oil plantations during this time. Besides, the period also includes the years 1997 to 1998 when extensive fire disasters occurred in Indonesia due to a prolonged El Nino. Following these years, in the period 2000-2003, the deforestation rate decreased mainly due to implementation of the National Strategic Plan of the Ministry of Forestry aimed to reduce Annual Allowable Cut for timber extraction. In addition, during that period, the government set policies to encourage efforts for forest rehabilitation.

(xiv) If previous reference level submitted: *Please indicate whether a previous reference level applying to the same area was submitted. If so, describe the difference between the emissions and removals used for the previous one and the current one. Describe any adjustments made to the current FREL/FRL compared to the previous one, if applicable.*

No previous REDD+ reference level had been submitted by Indonesia to the UNFCCC, as can be seen on the REDD+ Web Platform here: https://redd.unfccc.int/submissions.html?country=idn.

(xv) Uncertainties: *Please indicate whether the country has provided information on aggregated uncertainties of the emissions or removals estimate, taking into account national capabilities and circumstances, and if so, indicate the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

Indonesia conducted a comprehensive uncertainty analysis of its FREL. Uncertainties associated with the activity data for forest degradation and deforestation were derived from the overall accuracy assessment of the land cover maps against 181 ground truth points. The land cover assessment was conducted for all 23 classes of the 2011 land cover map and the results found an overall accuracy of 88% of the map and 98% for aggregated classes of forest and non-forest (MoFor, 2012, Margono et al., 2012).

Since the AGB emissions calculation is using Tier 2 accuracy, the uncertainty level for AGB emissions from forest degradation and deforestation is lower than that of soil carbon emissions from deforestation and forest degradation on peat lands. For peat decomposition, uncertainty of activity data was derived from the overall accuracy of the peat land mapping (80%) (Ritung et al. 2011), while the IPCC guideline 2013 default values (Hiraishi et al., 2014) were adopted as uncertainty values of emission factors. The average uncertainty for all emissions is 16.1%.

The AT commended Indonesia for the exemplary effort made in providing the uncertainty analysis. During the TA, several aspects of the uncertainty analysis were discussed and areas for future improvement were identified; for example, moving from overall map accuracy to classification accuracy of individual classes or differentiating sampling errors between the individual forest classes. Additional work to assess the accuracy of change analysis data is already planned and it will be expedited in the near future. Indonesia is currently working on a new approach for accuracy assessment of land-cover mapping from remote sensing data, in order to provide accuracy information on each of the land cover data set.

The AT notes that, in line with the stepwise approach, the uncertainty analysis provided in the FREL submission covered only selected sources of error, and the AT saw broadening the scope of the uncertainty analysis to cover further potential sources of error, and differentiating between land-cover classes with regard to emission factors and activity data, as areas for technical improvement. In response, the uncertainty analysis for the reported results was more comprehensive than that for the FREL estimates (see Section B.2), so improvements have already been undertaken.

A re-design of the current NFI system is being initiated to ensure the sustainability of NFI data measurement, covering all vital land cover classes and reduction of uncertainties of the emission factors.

(xvi) Please indicate whether different FREL/FRLs have been used for different funding sources or other purposes, and if so, list and describe them.

Results-based payments baseline established in a bilateral partnership with the Government of Norway

A baseline for results-based payments (RBP) has been established as a benchmark for assessing Indonesia's performance in implementing REDD+ under the framework of the Indonesia-Norway Partnership[1]. Reductions in emissions from performance indicators are compared to a results-based payment baseline to report results under this Indonesia-Norway bilateral agreement.

This RBP baseline is national in scale, covering all-natural forests in Indonesia, including dryland, mangrove and swamp forests in both primary and secondary classes. The baseline is based on the annual historical average level of each of the following performance indicators: emissions from deforestation and forest degradation. The results-based payment baseline distinguishes between the activities covered, or performance indicators. Aboveground biomass is the only pool included in the RBP baseline, and carbon dioxide is the GHG included.

The RBP baseline for the Indonesia-Norway Partnership was developed using a reference period from 2006/2007 -2015/2016 and will be valid up to 2019/2020. The estimated baseline value of that results is 278.5 $MtCO_2e/yr$. The emission reduction result is the difference between the RBP baseline and the emissions in each year, expressed in tonnes of carbon dioxide equivalent.

From the reported emission reduction results, set-asides will be made to determine the maximum number of emission reductions Indonesia can be rewarded for by Norway and other financiers. These deductions are intended to reflect risks related to uncertainty, as well as Indonesia's ambition to reduce national GHG emissions. The deducted volumes cannot be rewarded or bought by other financiers.

While peat decomposition and emissions from peat fire shall be measured and reported, these will not be included as a performance indicator in the first reporting period under the partnership. Plans shall be made to include peat decomposition and peat fire emissions in the results-based payment model over time. Even though peat fire emissions are not part of the RBP model from the start, a proxy approach for measuring reduced emissions from peat fires is being piloted and will be reported on. This refers to the same as the methodology applying manual analysis of MODIS data, for "hot spots" and yearly burned scar areas, which is mentioned above in B.1.1(x).

The RBP baseline will be updated periodically, indicatively every 5 years, but also considering any updated FREL and NDC Indonesia might submit to the UNFCCC. When the Indonesia-Norway agreement is renewed, the RBP baseline will be updated for the upcoming period. Updating of the RBP baseline will consider new knowledge, extension of the scope (inclusion of more pools, gases or performance indicators) and improvements in methodologies and data. The updated RBP baseline (for a new period) will reflect an increase in ambition. The reference period will be moved forward in time, by 5 years. If this does not represent an increase in ambition, a percentage increase in ambition will be established.

B.2. REDD-plus Results reporting

Please provide link to the BUR technical annex containing REDD+ results:
https://unfccc.int/documents/192165

Please provide link to the UNFCCC Technical Analysis Report:
https://unfccc.int/sites/default/files/resource/tatr1_2019_IDN.pdf

B.2.1. UNFCCC Technical Analysis

(i) Consistency of results with FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the reported results in the technical annex to the BUR with the FREL/FRL (including the inclusion of same pools, activities and gases).*

Indonesia has ensured consistency in the methodologies, definitions, comprehensiveness and information provided between the assessed FREL and the results achieved reducing emissions from deforestation and forest degradation, as described in Indonesia's REDD+ Technical Annex to its second BUR. The LULUCF experts noted this was done by:

- Using consistent methodologies and data to generate AD on the deforestation area (defined as loss of natural forest cover below a certain threshold and converted to non-forest land without considering

[1] https://www.norway.no/contentassets/313ad6b82f28487e806ed9dad7c8a710/loi-signert-versjon.pdf

subsequent regrowth after forest cover loss; i.e. “gross” deforestation), the forest degradation area (defined as a change from primary forest to disturbed secondary forest) and the degraded peatland area where deforestation or forest degradation have occurred. The areas of deforestation and forest degradation were both derived from the same forest monitoring system using the same methods, procedure and stratification, by overlaying land-cover maps with 23 land-cover classifications generated from Landsat satellite images at different time points, with a minimum mapping unit of 6.25 ha. Deforestation is identified by the change from six natural forest land classifications to non-forest land classifications, excluding subsequent regrowth. Forest degradation is identified by the change from primary natural forest land classifications to secondary natural forest land classifications. The same peatland map was used for deriving the degraded peatland area;

- Using consistent methodologies and data to generate emission factors (EF). The same EF associated with specific land-cover changes based on the consistent land-cover stratification are used for both the FREL and results;
- Including the same carbon pools: above-ground biomass and soil organic carbon;
- Including the same gases: CO2 only;
- Covering the same area: entire national territory;
- Using the same assumption that all peatland where deforestation or forest degradation has occurred is considered as degraded (drained);
- Using the same forest definition as that used in constructing its FREL.

The LULUCF experts commend Indonesia for ensuring the full consistency of the data and methodologies described in the FREL for 1990–2012 and in the technical annex with the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation for 2013–2017.

In the Technical Analysis Technical Report (TATR) the LULUCF experts state that Indonesia ensured overall consistency between the FREL and the results reported through the Technical Annex to the BUR, using consistent methodologies and data to generate activity data (AD), as well as the same EFs.

In recalculating the FREL to represent 1993 – 2012, and presenting the corresponding results, for the sake of this FP, that full consistency, as described above, has been maintained. There have been no changes to assumptions, definitions, or comprehensiveness for either the recalculated FREL or corresponding results. Changes made were the modification of the time period over which the methodological approach was applied as well as the presentation of the average annual emissions for the reference level period, versus the historical average as applied in the UNFCCC technically assessed FREL and the linear projection for soil carbon emissions from peat decomposition.

	Deforestation		**Degradation**		**Peat Decomposition**	
	Reference level	**Actual**	**Reference level**	**Actual**	**Reference Level**	**Actual**
2014	321,077,036	118,747,501	67,888,879	9,824,101	180,022,119	240,813,389
2015	321,077,036	239,501,493	67,888,879	85,971,152	180,022,119	248,965,527
2016	321,077,036	283,794,741	67,888,879	78,649,415	180,022,119	255,706,927
Total:						

Table 1: Input Data for 1993-2012 Recalculated FREL and Corresponding Results

	Total FREL	**Total Actual Emissions**	**Total Emission Reductions**
2014	568,988,033	369,384,991	199,603,043
2015	568,988,033	574,438,172	(5,450,138)
2016	568,988,033	618,151,083	(49,163,049)
TOTAL			144,989,855

Table 2: Recalculated 1993-2012 FREL and Corresponding Results (tCO2e)

(ii) Transparency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the transparency of the data and information provided in the technical annex (i.e. whether information has been provided to provide an understanding of how UNFCCC guidance on results reporting has been addressed). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the transparency of the data on results and that could not be resolved due to time and data restrictions.*

Indonesia's REDD+ submissions were developed by a group of experts representing cross-ministerial agencies and organizations through a "transparent scientific-based participatory process".

The LULUCF experts noted that the Party's estimation of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation in the national area of Indonesia was undertaken using a transparent and consistent approach. The LULUCF experts commended Indonesia for its significant long-term efforts to build up a robust NFMS that can provide transparent estimates of emissions from deforestation.

The LULUCF experts noted that, as part of the TA process, Indonesia provided additional information, the transition matrix of land-cover changes, some technical clarifications of EFs and the relationship between the GHG inventory and the reported results. The LULUCF experts commended Indonesia for these efforts to provide the additional information, which increased the transparency.

As conveyed during the technical analysis, and informed by the exchanges with the LULUCF experts, Indonesia identified several capacity-building needs which would enable Indonesia to improve its data and methodologies.

The specific needs identified for enhancing transparency are:
(i) Development of a data publication and online analysis system, to comply with transparency requirements
(ii) Development of an integrated system for strengthening the linkage between the GHG inventory and mitigation actions to support the transparency and accountability of methodologies.

The following documents were provided by Indonesia during the assessment process in response to requests for clarification or additional information during the TA, enhancing the transparency of the information:

1.Indonesia Report on REDD+ Performance, Directorate General of Climate Change, Ministry of Environment and Forestry, Republic of Indonesia, 2018, available at: http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/Book_IRPR_KLHK_B5_revisi_4_opt.pdfhttp://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/Book_IRPR_KLHK_B5_revisi_4_opt.pdf

2. Process Technical Assessment: Forest Emission Level, Indonesia Pada Tahun 2016, Direktorat Jenderal Inventarisasi GRK Dan MPV Direktorat Genderal Pengendalian Perubahan Iklim Kementerian Lingkungan Hidup Dan Kehutanan, 2018, available at: http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/igrk/13-buku_proses_TA_B5.pdf

3. Land Transition Matrices, 2012-2017.

(iii) Completeness of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the completeness of the data and information provided in the technical annex (i.e. whether information has been provided that allows for the reconstruction of the results). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the completeness of the data on results and that could not be resolved due to time and data restrictions.*

In the TATR, it is reported that the LULUCF experts considered the data and information provided in the technical annex to be transparent, consistent, complete and accurate.

The relevant information and data required by COP decisions for allowing for the reconstruction of results were obtained from the documents referred to in the technical annex and through the responses from the Party to the questions of the LULUCF experts during the TA.

The LULUCF experts commended Indonesia for its efforts to ensure the completeness of the data, providing enough information for the reconstruction of the results.

(iv) Consistency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the data and information provided in the technical annex (i.e. data and methodologies were applied consistently over the results time series). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the consistency of the data on results and that could not be resolved due to time and data restrictions.*

The LULUCF experts noted that the Party's estimation of the results was undertaken using a transparent and consistent approach.

According to decision 12/CP.17, paragraph 8, the FREL shall be established taking into account decision 4/CP.15, paragraph 7, and maintaining consistency with the anthropogenic forest-related GHG emissions by sources and removals by sinks reported in the Party's GHG inventory. Indonesia clarified during the consultation process that there is no difference in the method and principal data it used for deforestation and forest degradation-related estimations in its GHG inventories between the first and second BURs. Taking into account the conclusion in the technical assessment of the FREL that consistency was achieved between the FREL and the GHG inventory in the first BUR, the team assessing Indonesia's FREL noted that the Party maintained consistency in terms of sources of AD and EFs with the GHG inventory included in its second BUR.

It was noted by the LULUCF experts that Indonesia's reported emission estimates from peat decomposition in its GHG inventory contained within the second BUR are different from the emission estimates reported in the technical annex, with differences ranging from 29 per cent to 31 per cent for 2013–2017. During the TA, Indonesia explained that the methodology used for the estimation was the same, but the activity areas were different. The AD for the second BUR included the entire peat decomposition area in Indonesia, whereas the AD for REDD+ activities included only the areas of peat decomposition that were forested in 1990. In the TATR, there are no suggested technical improvements in this regard, so it may be inferred that the explanation was considered sufficient.

In terms of times series, the LULUCF experts concluded that (1) improvements to the accuracy and consistency of the interpretation of satellite images - by directly comparing time series of satellite images (rather than analysing satellite images for time points individually by overlaying maps to detect changes), as well as (2) introduction of automated image processing techniques are areas for technical improvement already identified in the FREL TAR that also apply to the provision of information on the REDD+ results. Beyond the identification of direct comparison and automated image processing being areas of improvement, the LULUCF experts raised no concerns regarding consistent application of data and methodologies over the results time series.

(v) Accuracy of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the accuracy of the data and information provided in the technical annex (i.e. whether it neither over- nor under-estimates emissions and/or removals). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the accuracy of the data on results and that could not be resolved due to time and data restrictions.*

In the TATR, the LULUCF experts concluded that the results are accurate to the extent possible.

The LULUCF experts noted that the Party's estimation of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation in the national area of Indonesia was undertaken using a transparent and consistent approach. The LULUCF experts commend Indonesia for providing transparent information and continuing to improve the accuracy of its estimates.

Both the established FREL and the results obtained for 2013–2017 from the implementation of the activities to reduce emissions from deforestation and forest degradation, as reported in the BUR, are based on the assumptions that i) the amount of aboveground biomass per area in each forest type does not change over time, ii) all losses of carbon in aboveground biomass are estimated as CO_2 emissions in the year of land-cover change (i.e. by applying instantaneous oxidation), iii) regrowth after land-cover change is not considered, and iv) all peatland areas where deforestation or forest degradation appear are treated as degraded. The LULUCF

experts noted that these assumptions may affect the accuracy of the estimated emissions from the activities; however, the effect of the assumptions on the emission reduction results, in terms of accuracy, may be limited because such effects are likely cancelled out by comparing the FREL and the actual emissions.

Indonesia clarified during the consultation process that the accuracy of AD has improved over time (e.g. the accuracy of AD in forest land in 1990, 2012 and 2016 is 93.32, 94.60 and 95.98, respectively). This is due to various improvements, including the quality of the raw data and the technique of satellite image interpretation. Indonesia also improved its uncertainty estimates; namely, moving from a single uncertainty value in the FREL to improved uncertainty values generated to improve AD for each year, considering the issue identified during the TA of the FREL. The LULUCF experts commend Indonesia for these efforts and noted that this improvement helps to reduce uncertainties in accordance with decision 4/CP.15, paragraph 1(d)(iii).

Indonesia clarified during the TA that the NFMS is continuously being improved to increase the accuracy of data generated.

The LULUCF experts commend Indonesia for continuing to improve the accuracy of its estimates, specifically in reference to consideration of alternative approaches for estimating emissions from peatland decomposition, as a future improvement of the FREL.

(vi) Indicate the number of years that took place between the last year of the FREL/FRL period, and the year corresponding to the results being proposed for payments:

The results period being proposed for payment through the GCF is 2014-2016. The last year of the FREL period included in the FREL submission to the UNFCCC is 2012. Two to four years took place between these periods.

B.2.2. Additional criteria related to the achieved results

(vii) Uncertainties: *Explain whether the country has provided information on aggregate uncertainties of the results, taking into account national capabilities and circumstances. Include the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

The uncertainties of the biomass stock estimates used in the estimation of REDD+ results ranged from 3% to 50%, depending on the availability of NFI plots of each land cover stratum in each island.

A re-design of the current NFI system is being initiated to ensure the sustainability of NFI data measurement, covering all vital land cover classes and reduction of uncertainties of the emission factors.

The most considerable uncertainty, however, came from the estimates of the peatland emissions. Current estimates were based on the IPCC default values, which indicate 50% uncertainty. Therefore, moving to a Tier 2 emission factor for peatlands is a priority technical improvement and work is already underway. BRG and other donor organisations have already installed 66 groundwater level monitoring system (GWLMS) at various degraded peatlands (BRG, 2018). In addition, the MOEF is compiling peatland GWLMS data from timber concessions. The GWLMS data will be available in the future and it will be used for estimating the CO_2 emissions due to peat.

It is important to reiterate, as was described above in B.2.1(v) and was part of a response to the LULUCF experts during the TA, that the overall accuracy estimates for the results were improved to be more comprehensive when compared to the uncertainty values reported for the FREL estimates. Indonesia moved from a single uncertainty value in the FREL to improved uncertainty values generated to improve AD for each year, taking into account the issue identified during the TA of the FREL. Further improvements are ongoing, with the Olofsson et al (2014) methodology being tested and the results compared.

(viii) Preventing double payments:

- *Provide information on payments that have been, or are expected to be received from other sources of funding for results recognized by the country for the same area for the same period, for which the country is applying for payments from the GCF.*
- *Include relevant information regarding the payments paid or expected to be paid, including the year(s), results volume in tCO2e, quantities for which payments were received/are expected to be received, and entity/entities paying for the results as well as any type of agreement involved.*

- *Provide sufficient assurances that the results that have been paid, or are expected to be paid for by other sources (or are under any type of analogous agreement) been excluded from the volume offered to the GCF.*
- *Provide a description of measures to ensure that the results paid by the GCF will not be transferred, offered for future payment or otherwise used (for example for offsets) and information on how the results proposed for payment by the GCF will be treated or used.*
- *Provide information on how different financing contributed to the achieved results.*

As of now, Indonesia has not yet received any REDD+ results-based payments from any donors or other sources.

Payments that are expected to be received

Under the Indonesia-Norway Partnership, Indonesia has reported 7.4 MtCO2e/yr as results for 2017[2]. Third-party verification is ongoing, but assuming the verified results match the results reported in the Emission Reduction Report for the Indonesia-Norway Partnership (2019), the 2017 emission reductions expected to be available for payments are 4.8 $MtCO_2e$.

Reductions were estimated against a baseline value of 278.5 $MtCO_2e$/yr, representing the total annual average emissions for deforestation and forest degradation.

The total emission reductions reported for 2017 under this Partnership was 7.4 $MtCO_2e$/yr for 2017, which was then reduced by the agreed deductions (20% to account for uncertainty and 15% to reflect Indonesia's own ambition), so that only 65% of the reported emission reductions can be rewarded by Norway or other financiers, which is 4.8 $MtCO_2e$. The year 2017 has been excluded entirely from this GCF proposal. There is, therefore, no risk of double payments for this year. The exclusion of 2017 was a decision taken exclusively for this GCF proposal.

Period	Area	UNFCCC Results (t/CO2e/year)	UNFCCC Assessed FREL/FRL	Indonesia-Norway Results-based payment baseline	Links to additional documentation	Entity Eligible to Receive Payments	Indonesia-Norway Reported Results (t/CO2e/year)	Results for payments (t/CO2e/yr)	Status (if received/committed /pledged)	Entity	Remaining results available for payments
2013	National	48,978,427	From 568,859,881 (for 2013) to: 593,329,235 (for 2020)	-	https://redd.unfccc.int/submisions.html?country=id	Government of Indonesia					48,978,427
2014	National	48,978,427									48,978,427
2015	National	48,978,427									48,978,427
2016	National	48,978,427									48,978,427
2017	National	48,978,427		278,500,000	http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/igrk/Progres_penurunan_emisi.pdf		7,406,056	4,813,933*	Committed	Norway	41,572,371**

*Reflects the expected emission reductions available for payments after the agreed deductions under the Indonesia-Norway Partnership, as of the time of development of this funding proposal. This may not reflect final 2017 emission reductions paid for by Norway.

** For 2017, results have been negotiated as part of Indonesia-Norway Partnership, and are estimated according to the baseline that applies under that Partnership. When applying that baseline, there are zero remaining results available for payment. Therefore, 2017 results have not been offered to the GCF as part of this funding proposal.

This information[3] will be published in the Lima Information Hub once Indonesia receives the payments from Norway.

REDD+ results paid by the GCF

Indonesia will ***retire*** 27MtCO2e **upon receipt of payment by the GCF**. Indonesia considers retirement of emission reductions a measure of high environmental integrity. Retirement prevents any further use, for offsetting or other purposes, and therefore preempts any possibility for double counting or double claiming. This information will also be published in the Lima Information Hub once payment is received from GCF. Only the emission reductions achieved between 2014 and 2016 that are paid for by GCF will be retired. These will be evidenced through Indonesia's registry upon receipt of payment by the GCF.

Potential direct and indirect finance contribution to the achievement of REDD+ results in period 2014 to 2016

[2] http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/igrk/Progres_penurunan_emisi.pdf
[3] The table listing payments that are expected to be received is accessible at http://ditjenppi.menlhk.go.id/admin/berita-admin/redd-2/3470-track-emission-reduction-and-corresponding-paymens.html

It is impossible to attribute specific REDD+ results achieved in different years to specific sources of finance. A variety of finance sources, both national: central, province, district and village level public budgets, NGOs, private sector, and international: donor countries, multilateral organizations, non-governmental organizations, private sector, have contributed directly and indirectly to the government of Indonesia's efforts to reduce deforestation.

Table 3 below presents the various projects and programmes from ODA that may have contributed directly or indirectly to Indonesia's own efforts to achieve the results reported, for a total of about USD 56 million over the 2014-2016 period.

Project name	Donor	Period	Amount (M USD)
REDD+ Readiness Preparation Activities (FCPF)	World Bank	2011 - 30/11/2019	3.20
FIP I Preparation: Community Focused Investments to Address Deforestation and Forest Degradation	ADB, World Bank, IFC	2014 - 2015	1.30
FIP I. Community Focused Investments to Address Deforestation and Forest Degradation	ADB	12/2016 - 2021	17.00
Forest and Climate Change (FORCLIME) FC Mobile	KfW	2010 - 2020	20.00
Forest and Climate Change (FORCLIME) FC Mobile Phase II	GIZ	2009 - 2020	24.78
Support to Indonesia Climate Change Response	EU	12/2012 - 12/2017	8.01
Support to the Establishment of REDD+ Infrastructure and Capacity Transition Phase	UNDP (Norway)	11/2015 - 12/2016	12.84
The Cooperation Activities on Development of Environmental Management in Collaboration with Local Government in Indonesia	JICA	2016 - 2018	2.74
Promoting Conservation of Selected High-Value Indigenous Species of Sumatera	ITTO	08/2014 - 08/2017	0.48
Follow up Research on Rehabilitation of Degraded Forest and Land	Komatsu	2015 - 2018	0.13
Enhancing Smallholder Benefits from Reduce Emissions from Deforestation and Forest Degradation in Indonesia	ACIAR	04/2013 - 04/2017	0.25
Strengthening the Capacity of Local Institution to Sustainability Manage Community Forest in Sanggau for Improving Livelihood	ITTO	12/2014 - 12/2016	0.51
Implementing a DNA Timber Tracking System in Indonesia	Adelaide University	2015 - 2017	0.20
Institutional Strengthening Phase-10	UNDP	2016 - 2018	0.35
Sustainable Management of Peatland Ecosystem in Indonesia (SMPEI)	IFAD	07/2017 - 09/2021	4.77
Agricultural Policy Research to Support Natural Resource Management in Indonesia's Upland Landscape	ACIAR	02/2018 - 12/2021	0.18
Forest and Peatland Management to Reduce Emission in Indonesia through Local Actions	UK (UKCCU)	04/2016 - 03/2019	4.22
USAID Support for Indonesia Climate Change Trust Fund (ICCTF)	USAID	06/2015 - 12/2019	5.00
Total			105.96

Table 3: ODA support to Indonesia that may have contributed directly or indirectly to the results reported
(*Source: adapted from Performance report on loans & grants. BAPPENAS, 2018*)

As mentioned in the second BUR, the financial support received for mitigation actions in the period 2015-2016 alone was USD 16.63 million for the forestry sector, of which USD 9.92 million from bilateral and USD 6.71 million from multilateral sources.

(ix) Tracking emissions reductions: *Indicate whether the achieved results are included in a registry or similar system that tracks emissions reductions and corresponding payments, and ensures that there is no past or future double payment or use of such results, including information to identify the area where the results were achieved, the entity eligible to receive payment, year(s) generated, source(s) of payments received, and identifying code, where possible. Provide the link or information where to find the registry or similar system*

Regarding a transparent, accurate, consistent, comparative and comprehensive (TACCC) MRV implementation, Indonesia has established modalities for National MRV System, which included:

- National MRV Scheme (Ministerial Regulation No 72/2017); http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/permen/P72.pdf
- Registry System (Ministerial Regulation No 71/2017); http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/permen/P71.pdf
- Guideline for MRV REDD+ (Annex of Ministerial Regulation No 70/2017); http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/P.70.pdf
- MRV team under DG CC Regulation Number SK.8/PPI-IGAS/2015.

Indonesia's MRV scheme for REDD+ outlines the flow of general national MRV process with proper adjustments to accommodate alignment with REDD+ funding schemes and its requirements. Indonesia's MRV scheme for REDD+ is officially presented in the Annex of Ministerial Regulation on the guidance for implementing REDD+ in Indonesia. The detail guideline for the MRV for REDD+ is provided in Guideline for MRV REDD+ activities (http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/pedoman_mrv_redd.pdf). Within the above-mentioned regulations, the role of NFMS is prominent.

Indonesia has established a National Registry System (or SRN) for the implementation of REDD+ at national and subnational levels. The SRN is intended for: data collection action and support for climate change including on REDD+ actions and resources and for the avoidance of double-counting. The SRN includes data and information on the FREL/FRL, MRV of results, as well as the contribution to achievement of the NDC. The National Registry System Manager is responsible for maintaining consistency between data and information on the implementation of REDD+ at the national and subnational levels and avoidance of double counting.

C. Non-carbon elements

Please provide link to the summary on information on safeguards:
https://unfccc.int/sites/default/files/resource/8360571_Indonesia-NC3-2-Third%20National%20Communication%20-%20Indonesia%20-%20editorial%20refinement%2013022018.pdf; https://redd.unfccc.int/files/sisredd_versi_eng.pdf and http://www.forclime.org/documents/Books/SIS%20REDD+_Final%20English.pdf

C.1. Cancun safeguards

C.1.1. Compliance with Cancun safeguards. *Please provide any additional information that supplements the information included in the "summary of information on safeguards" that allows understanding how each of the safeguards below was addressed and respected in the full period during which results were generated in a way that ensures transparency, consistency, comprehensiveness and effectiveness:*

(i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.

Comments:

The Moratorium Termination of the Granting of New Permits and Perfecting Natural Primary Forest and Peatland Management (Moratorium) and the Social Forestry programmes were two key initiatives operating during the period for which there are results-based payments. Each contributed to the reduction of emissions while striving for consistency and complementarity of REDD+ actions in Indonesia with the national forest programs and relevant international conventions and agreements. Therefore, responses in C1.1 will focus on providing additional information related to these two initiatives, from the perspective of implementation and what happened in practice to demonstrate how the Government of Indonesia (GoI) addressed and respected the Cancun safeguards in the implementation of the Moratorium policy and Social Forestry programme during the period of 2014-2016 (the period upon which results based payments are sought). This will complement information already provided in the Summary of Information (SOI). The required Environmental and Social Assessment (ESA) reviewed these two efforts and found that while notable alignment exists with the Cancun Safeguards, opportunities for improvements and strengthening still remain, particularly with the respect to the Social Forestry programme. That concluded, the ESA further found that during 2014-2016 (including up and until today) the GoI already increased its support for the moratorium and Social Forestry through the adoption of new policies, laws and regulations (PLRs), commitment of resources, and outreach to stakeholders aimed at enhancing the programme's effective implementation and consistency with the Cancun Safeguards. It is understood that in the implementation of the RBP Project, these measures will continue and new ones will be pursued to not only ensure avoidance and mitigation of harms, but also take advantage of opportunities to increase the benefits the programme can yield for both peoples and the environment.

As it currently stands, with the latest revision of the Indicative Map of the Termination of the Granting of new Permits (Moratorium map/PIPPIB), the GoI has committed to protect 66,287,067 hectares of natural primary forest and peatlands. Consistent with the national forest framework and applicable international conventions, this means no concessions and permits, so no exploitation of forest resources in the Moratorium area. This means protection, conservation, no conversion and reduced emissions. This also means a level of protection for any local communities, Villages and Adat communities living within this Moratorium map area, and in theory, an enabling environment for them to thrive according to their self-determined priorities and pursuant to their distinct relationship with the forests and biodiversity within.

The Social Forestry programme allows for the same. The Government has essentially delimited an area of 12.7 million hectares and said that it would only be open for social forestry, that is overwhelmingly for: use and access rights for local communities and Villages, increased participation of these collectives, often as leads, in sustainable management of the forest resources within those areas, and a path to recognition as Adat forests where applicable. This is consistent with national forest programming and international conventions' highlighted goals such as improved governance over forest resources, multi-stakeholder participation in climate change initiatives, conservation, protection, sustainable development of forest materials and alternative timber-free economies, as well as rights-based forest management where inclusion of local populations and greater land tenure security for these collectives is considered essential to climate change mitigation.

Both the Moratorium and Social Forestry initiatives were established to be implemented in a manner that contributes to consistency with the national Constitution, and the various policies, REDD+ guidelines, national laws and Indonesia's duties and obligations under international law related to forest management, biodiversity, conservation, public participation, non-discrimination, and human rights (particularly of indigenous peoples and minorities), among others.

The ESA performed on these initiatives analyses a number of these PLRs that were in existence at the start of the review period 2014, and that evolved and were supplemented over the period of review, i.e., 2014-2016. The ESA recognizes that as resourced and applied, the Government has continued to increase the implementation consistency with the Cancun Safeguards, starting during the period of review and immediately thereafter, especially in 2017. This started with cornerstone of Indonesia's forest policy, the 1999 Forestry Law. This law provides that forests will be "sustainably maintained in a wise, transparent, professional and accountable manner" and "be capable of accommodating the dynamics of community aspirations and participation, customary and cultural, as well as social values in accordance with national legal norms". Other laws applicable to Indonesia provide a further enabling environment, such as: the Convention on Biological Diversity, the Climate Change Convention, UNDRIP, the Forestry Law, the Social Forestry Decree, the Decrees on Adat Forest and Titled Forest, the One Map Policy, and the Resolution of Control over Lands in Forest Area, and several MOEF regulations guaranteeing a grievance mechanism and establishing monitoring requirements and processes related to social and environmental impacts, and the Cancun Safeguards more specifically.

Further, as required by UNFCCC REDD+ decisions, a system has been developed for providing information on how the activities of the Moratorium, Social Forestry and other REDD+ policies and measures are implemented to complement and ensure consistency with the Cancun safeguards and consequently, the national forest programs and relevant international conventions and agreements (the Safeguards Information System (*SIS-REDD+*)). While developed and released earlier, including throughout the review period, Indonesia's SIS-REDD+ (along with its principles, criteria and indicators (PC&Is) was formally enshrined in law in 2017 via a MOEF regulation. Strengthening in uptake and application since 2013, it has since been operationalized via pilot implementation in three provinces (see below), and as seen by the RBP Project outputs and activities, continues to enjoy the support of the GoI. Efforts continued to ensure that the SIS-REDD+ is strengthened and widely socialized, especially in terms of training those expected to contribute information to the system and increasing the public's access to information via its online platform (http://ditjenppi.menlhk.go.id/sisredd/). Most significantly, consistent with national norms and international obligations related to stakeholder involvement and transparency, the development of SIS-REDD+ and its supporting materials was the product of an extensive multi-stakeholder process (for more this, see section C.1.2 below).

Additional information on complementation and consistency with PLRs can be found in the ESA of the two initiatives found in the Annex to this FP.

(ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.

Comments:

The anchor of Indonesia's forest policy is the Forestry Law, Law No. 41 (1999) which promotes that the forests of Indonesia are managed "*for the people's maximum benefit*" and that such management is to be done sustainably, transparently and with community participation, and that all other laws should be consistent with the Forestry Law. The same law emphasizes the coordinated, multi-stakeholder approach to forest governance and management providing that the national and regional governments, along with Community and individuals, shall participate in forestry supervision.

Under President Joko Widodo (2014-present), governance changes over forest and the climate change mitigation portfolio were put in place to enhance forest management through renewed focal points, increased coordination, and most significantly, by combining two leading ministries, Ministry of Forestry and Ministry of Environment, into the single MOEF in October 2014. Per the Forestry Law, the government refocused coordination in climate change by tasking the recently established MOEF to absorb the roles and responsibilities of REDD+ Agency and National Council for Climate Change (DNPI). MOEF then established the Directorate General of Climate Change to be the focal point in Indonesia and globally. The Forestry Law then establishes a number of directorates under the umbrella of the MOEF allowing for an increased coordination over a broad array of key elements to forest management, including: the Directorate General of Forestry Planology and Environmental Administration (DJPKTL); the Directorate General of Climate Change (DJPPI) to be the focal point in Indonesia and globally; the Directorate General of Pollution and Environmental Destruction Prevention (DJPPKL); the Directorate General of Natural Resources and Ecosystem Conservation (DJKSDAE); the Directorate General of Sustainable Production Forest Management (DJPHPL), the Directorate General of Forest and Environmental Law Enforcement (DJPHLHK); Directorate General of Social Forestry and Environmental Partnership (DJPSKL); and the Directorate General of Management of Watersheds and Protection Forests (DJPDASHL). The Secretariat General of the MOEF and Data and Information Center (Pusdatin) provided coordination support. In addition to the Focal Point (DJPPI), MOEF appointed a senior negotiator for Indonesia in UNFCCC, as Director General of the REDD+ Division now sitting within the DJPPI and responsible for managing the SIS-REDD+ process. Placing so many of these relevant directorates under the MOEF umbrella has created an enabling environment for improved forest governance.

Improved forest governance is also achieved through the design and implementation of various measures to increase transparency. One way to achieve transparency is through the centralization of critical data and the harmonization of the same. For instance, in Indonesia there is the National Registry System (SRN) on Climate Change made operational in 2016 (Ministerial Decree 71/2017). It is a web-based platform intended to, among other things: collect data on actions and resources for the implementation of climate change adaptation and mitigation; and document activities and resources on adaptation and mitigation of climate change, including the contribution made by multiple actors: ministries/government institutions, local government, business community and civil society organization, all while making public data and information on documented measures. There is also the NFMS and the operation through a web-based system of the National Inventory System for Greenhouse Gas Emissions (Sistem Inventarisasi Gas Rumah Kaca Nasional, SIGN-SMART). The mandate of SIGN-SMART requires the publishing of an annual GHG inventory report (Presidential Regulation no. 71/2011).

Another flagship of Indonesia's efforts to improve transparency and the systematization and harmonization of forest governance is the One Map Policy. The One Map Policy (Decree of the Republic of Indonesia Number 9 of 2016 on Accelerating One Map Policy through use of 1:50.000 Scale) is being pursued and further strengthened by Law 4/2011 which gives the Geospatial Information Agency the mandate to work with the Presidential Delivery Unit for Development Monitoring and Oversight and take the lead in developing a single reference map. Valuing increased transparency, the law defines "openness" as "the establishment of geospatial information (GI) is intended to be utilized by many parties by providing easy access to the society to obtain GI." The objective of this policy is to create a single 1: 50,000 scale map that can serve as a standard geospatial reference, based on a single standard, a single database, and a single geoportal. The use of one map that various decision-makers, including ministries, regional and district governments, and other actors can access will help to increase transparency, and the sharing and comparison of information across multiple users.

The GoI has also heard and begun responding to demands about the need to be more transparent in the revision of the Moratorium and Social Forestry indicative maps. This is particularly salient if governance over forest resources is to be improved – including through the increased share of information across stakeholders and the use of materials to identify potential opportunities and conflict. In the case of the Social Forestry Programme, and per MOEF Regulation No. 21/2019 on Adat Forest and Titled Forest, the Directorate for Handling Tenurial and Customary Forestry Conflict of the Directorate General for Social Forestry and Environmental Partnership (MOEF), launched the production of an indicative map of Adat customary forests which can be used, at least, in parallel with the indicative Social Forestry map, if not used to modify or reform it. The indicative Adat forest map can also be used along with provincial and district spatial maps and consultations with local actors to coordinate national, regional and local efforts to verify customary rights and

land tenure upon receipt of applications under the Social Forestry framework. This map can also help with conflict resolution in the moment and avoid future grievances arising from overlapping claims. The production of this map counts with inputs from various stakeholders, and efforts are underway to reconcile the mapping done by the civil society actor, AMAN, of over 9.3 million hectares of Adat customary forests. Finding mechanisms to share and reconcile these maps no doubt provides for informed decision-making, greater Adat community participation in forest governance, the avoidance and resolution of conflicts, and most simply, a way that various actors can use the same language to work together to manage forest resources across wide landscapes.

Further, transparency is enhanced through the SIS-REDD+ and MOEF grievance online platforms (http://ditjenppi.menlhk.go.id/sisredd/ and http://pengaduan.menlhk.go.id respectively). Consistent with the laws governing both matters (MOEF Regulations Nos. 70/2017 and P.22 (2017) respectively), each platform strives to increase the quality and volume of information accessible on its websites regarding the demonstration of compliance with the Cancun Safeguards and the manner in which the REDD+ activities not only identifies risk, but mitigates them, tracks them, and resolves them should complaints arise. (These two platforms are further discussed below at E.1.3).

The GoI has also made concerted efforts to improve forest fire management system per Presidential Instruction 11/2015 on Enhancing Forest and Land Fire Control. MOEF mandates all level of governments to develop land and forest fire management system at their jurisdictions and implement sanctions for business players who do not implement fire management within the area under their jurisdictions. Furthermore, MOEF Regulation 32/2016 on Control of Forest and Land Fires has created different entities from the national to community and village level, including permit holders to work together to prevent fires. These entities include the National Task Force for Handling Forest and Land Fires, the Forest Fire Control Core Team, Fire Concerned Communities, Forest Fire Control Supporting Team and Village Facilitating teams.

While the above contains only a few highlights related to REDD+ forest governance and transparency, collectively the material described efforts to make access to information simpler and eventually facilitate the sharing of information across decision-makers, programme beneficiaries, and those that are charged with, and/or seek to influence decision-makers through the various sub-national and multi-stakeholder taskforce, working groups, and advisory committees and independent advocacy initiatives. This is further facilitated through the establishment of REDD+ institutions in 11 pilot Provinces (in the form of a Working Group, Commission, or Task Force) and the maintenance of no less than 10 portals/information systems that facilitate the sharing of information between the national and sub-national governments as well as local communities. These are each listed in Indonesia's most recent SOI.

The REDD+ programming also strengthened forest governance at the local level through the establishment, and now a renewed commitment to strengthen the Forest Management Units (FMUs) (see RBP Project, Activity 2.1). The Forestry Law enables forest management through Kesatuan Pengelolaan Hutan (forest management units (FMUs/KPHs)), which are responsible for developing, implementing, and/or overseeing site level forest governance and management—including preparing participatory plans, enforcing forest regulations such as forest fire control and other illegal practices, supporting local communities and Villages in applying for one of the arrangements available under the Social Forestry Programme. Both central and local governments have joint authority over state forests, with a strong role from subnational governments (provincial and district level).

FMUs are the basis for governing and managing all forest areas and functions at the local level based on forest management plans, and in close consultation and collaboration with all stakeholders, increasing accountability to local stakeholders. In 2007, the government passed legislation to prioritize FMUs and safeguard the public function of forests. This resulted in the formation of 600 FMUs over the whole forest estate. State Ministry of National Development Planning (BAPPENAS) informed the MOEF that the budget is conditional on achieving FMU implementation targets—a requirement referred to as "no KPH no budget." The transition to a decentralized management regime for forests remains central to the mission of MOEF. A priority of the National Medium-Term Development Plan 2015-2019 is to have 629 FMUs operational by 2020. FMUs play an important role in bringing stakeholders together to develop from the site level, forest management plans that depend on multiple actors for proper implementation and monitoring.

Also contributing to forest governance, within the Social Forestry Programme (MOEF Decree No. 83/2016), the Forest Partnership Agreement creates the vehicle for a cooperative relationship between the local community and the forest manager, the holder of a forest utilization / forest service business permit, a lease-to-use forest area permit, or the holder of a forest product primary industry business permit. These agreements enable private sector individuals (or groups) and local community or Village peoples to work together to determine and implement an activities plan to sustainably manage the forest resources within distinct areas of State Forests This decree did not invent social forestry, but did place in a single instrument practices already

in place under other policies, laws and regulations governing community and village forest management. Ultimately, Social Forestry is is a recognition that forest governance is best achieved when those depending on forest resources for their livelihoods work in harmony and potential conflicts between such users are resolved through agreement.

Additional information on transparency and national forest governance structures can be found in the ESA found in the Annex to this FP.

(iii) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.

Comments:

The matter of the rights of local communities, Villages and Adat communities in the context of the Moratorium and Social Forestry programming is discussed at length in the ESA and it two annexes. Incorporated by reference into the response to this C.1(iii) is the text at section C.1(iv) below on stakeholder participation, (including indigenous peoples), and the material found at section E.5 (Indigenous Peoples) below discussing a number of the challenges and critiques of the Social Forestry Programme as related to indigenous peoples (in Indonesia referring instead to “Adat communities”). The opportunities for improvement are being addressed by mitigation measures defined for the new RBP project (see annexed ESMF), many of which build upon initiatives already commenced by the Government, specifically the Director General of Social Forestry and Environmental Partnership.

Considering the intersect of local community, Village and Adat community lands with forests (it is estimated that 70% of the Social Forestry indicative map (PIAPs) overlaps the customary forests of these collectives), the GoI has taken notable measures to affirm the rights of these populations to have access, use and effective and meaningful participation in the management of forest resources. As highlighted in the ESA, when the Joko Widodo administration fortified the Social Forestry programme in 2014 by increasing the previously designated 0.45 million ha for Social Forestry to 12.7 million ha, this was a State response to considerable stakeholder advocacy and an expression of a political commitment to provide both protection and opportunities for Adat communities, villages and local communities. It was also a recognition that land tenure security, traditional knowledge, and the distinct ways of life of these populations were of integral value to avoiding deforestation and achieving the national objectives of climate change mitigation through reduced GHG emissions.

Acknowledging that there are vast numbers of communities and Villages still awaiting recognition as an Adat (indigenous) peoples, as well as recognition of their customary Adat forests (per titles), for many the Social Forestry has provided at least an interim level of protection for their forests, livelihoods, and cultural identity. The current PIAPs sets aside 12.7 million hectares of State Forest to be subject to leases, permits or forest partnership agreements, or to be excised from the State Forest once formally recognized with a title as an Adat (customary) forest. While not done through an established and written protocol on free, prior and informed consent (FPIC), (albeit the principle of FPIC was already affirmed in the 2013-released Principles, Criteria and Indicators related to monitoring the impacts of REDD+ activities) these processes are done by communities and Villages voluntarily applying for and agreeing to these legal arrangements and in many cases doing so, through their designated leaders and governing institutions. The Social Forestry Programme respects the self-determined decision-making of these collectives and their political institutions of self-governance. The programme does not impose the lease, permits and partnership agreements on them. What does exist regardless of community acceptance, is the forest category: production, conservation, or protection, that is designated solely by the State. Although, every five years when spatial planning is reviewed, there are opportunities for these collectives to participate in that review and any potential recategorizations.

The subject of some debate, the mechanism by which a permit/lease for use or access rights will be transitioned into a full Adat forest title --should the community or Village so desire-- has not been defined yet, though it is arguably not prohibited by law. (This is a matter addressed by mitigation measures and recommendations in the ESMF that accompanies this FP). International law recognizes Adat communities’ rights to full ownership, control and administration of their traditional lands, resources and territories, not just use, access or participatory management. Nevertheless, while many communities and Villages still desire full titles to their Adat forests and the more ample property rights that go along with such recognition, the Social Forestry permits, licenses and agreements are recognized by many as providing a step in that direction. While recognition processes are pending, the programme offers a mechanism to exclude those that would otherwise intrude into their lands and irreparably exploit the very forest resources upon which their physical and cultural survival depends.

Through opportunities to secure both support and resources from the State to engage in sustainable forestry (Community Timber Plantations) and alternative timber-free economic endeavours, the initiative also provides opportunities to reduce poverty and improve livelihoods. Through new laws emerging after the 2013 Constitutional Court decision which recognized the legitimacy of Adat communities to land title, declared unconstitutional the Forestry Law inclusion of Adat forests within State Forests, and ordered all forest boundaries to be gazette before being legally recognized as part of the State Forest Estate, the application of the Social Forestry Programme has become more complementary and consistent with the objectives of the Cancun Safeguards. For instance, procedures have been clarified for requesting and securing Adat titles, and mechanisms have been put in place to issue titles for Adat communities who can prove control over their lands prior to the State forest designation over their traditional lands. Per Ministerial Decree 83, access to the benefits of the Social Forestry Programme has been made more equitable and possible through new, simpler application processes. Additionally, Social Forestry teams have been established and empowered to carry out field investigations and verifications of license, permits, and partnership agreements to identify potential conflicts, including overlaps with Adat forests, even if not yet titled. Also, through measures advanced throughout the review period, by December of 2017, 430 local FMUs were established, and 29 of 34 provinces in Indonesia have Social Forestry Working Groups consisting of NGOs, Local Government, Academics, donors, Local Champions, – all empowered to accelerate the programme, socialize it with communities, and assist in the application processes for access, use rights and titles.

Furthermore, as a signatory to the Convention on Biological Diversity which provides that States will “respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation”, Indonesia’s PLRs as related to the Social Forestry Programme demonstrate this respect. Specifically, article 52 of Decree No. 83 on Social Forestry provides recognition of the important contribution that traditional knowledge of communities can make. The decree further provides that “[u]tilization of timber forest products and / or non-timber forest products and / or environmental services in customary forests based on local wisdom / traditional knowledge that is recognized and approved by traditional institutions”. Technical guidance on local wisdom / traditional knowledge are further regulated and holders of licenses to Village Forests Community Forests, and Community Forest Plantations are entitled to manage and utilize these forests “in accordance with local wisdom including integrated farming systems.” Reinforcing this aspect going forward, and replacing MOEF Regulation of 2010 concerning Procedures for Complaints and Handling of Complaints due to Alleged Pollution and / or Environmental Damage, MOEF Regulation P.22 on Procedures for Management of Complaints for Pollution and / or Environment Damage and / or Forest Damage (2017) affirmed a ground for a complaint if there is “utilization of genetic resources and traditional knowledge” (Art. 5(j)).

Nevertheless, the Social Forestry Programme is not without its critics. In response, the Government has largely acknowledged where its ambitions to put 12.7 million hectares under Social Forestry must also be met with additional resources, further PLR reforms and mechanisms to ensure that this is done in a way that fully respects the rights of Adat communities. As highlighted in section E.5 below, a number of the shortcomings of the programme and enabling PLRs are already subject to measure aimed at improvement. See for example, the DG of Social Forestry and Environmental Partnership’s creation of an indicative Adat forest map, as well as is intent to provide technical support for local governments to adopt umbrella regulation that would facilitate their recognition of local communities as Adat communities (a precondition to land titling). The ESMF attached to this FP for implementation during the RBP Project includes a host of additional recommendations and mitigation measures (R&MMs) to improve delivery of benefits and opportunities to indigenous peoples and local communities in a rights-based manner (see for example, R&MMs 10 and 11). There are also two bills before the legislature (a lands bill and bill on Adat rights) which will eventually strengthen the RBP as it pertains to Adat communities.

Taking a broader overview of the REDD+ programming that provides the backdrop and foundation of the Social Forestry and Moratorium initiatives, it is also worth highlighting that representatives of indigenous communities and their supporting NGOs meaningfully and effectively participated in the various multi-stakeholders forums discussed in this section and section E below (including to development the SIS-REDD+, PC&Is, APPS tools and NDC).

In terms of Adat and local community and Village women, while collective rights of use, access, even ownership of lands and resources are not typically held by a single man or woman, many (not all) of the benefits received through the Social Forestry (whether through the protection and conservation of forest resources, ecotourism or sustainable timber free production) would have been shared communally, positively affecting multiple sectors within the collective: women, youth, elderly. As the Social Forestry programme is strengthened through the proposed RBP Project (Activity 2.2.), it is envisioned that all mitigation measures and overall, all program activities will be implemented with a gender responsive approach. This includes, for example, special measures

to target women systematic use of gender analysis and collection of gender responsive and sex-disaggregated data, and increased gender equity in participatory forums: capacity sessions, multi-stakeholder bodies, parties to partnership agreements, etc. For more on this, see section E.3 below as well as the results of the ESA, ESMF, and Gender Assessment and Action Plan found in the Annex XIII (c) to this FP.

Also as a form of respecting rights that includes the right to justice and a remedy, the national grievance mechanisms hosted by the MOEF (see discussion of this in the ESA and below at section E.1.3 of this FP), was and continues to be available to receive grievances from local communities, Villages and Adat communities. It is now more accessible via an online platform.

Taking into account the above provided information, it is anticipated that the strengthening of REDD+ enabling framework, including monitoring mechanisms, and the expansion and strengthening of the FMUs and Social Forestry programme will provide increased benefits to indigenous peoples. Implemented with the mitigation measures recommended to date and building upon the efforts the Government has already begun, there is great space to seize opportunities for improvement and perfect project consistency with the Cancun Safeguards related to local community and indigenous peoples' rights.

(iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of 1/CP.16.

Comments:

Please refer to the relevant comments in sections C.1.2 (Stakeholder Involvement), E.1.3 (Consultation with Stakeholders) and E.5 (Indigenous Peoples) below for a fuller response to the program's consistency with this safeguard.

In addition to the information provided in the aforementioned sections, it is to be highlighted that the Moratorium and Social Forestry initiatives were both commenced with substantial support by civil society. They each responded to a call by a broad section of stakeholders to provide for the protection of natural primary forests and peatlands, through prohibitions on licensing and concessioning, and for the rights of use, access and participation in forest management (even lead roles) to the local communities, Villages and Adat communities that most depend on forest resources for their livelihoods and cultural identity. The two initial indicative maps guiding each of these initiatives were developed based on stakeholder inputs. The implementation of the Moratorium was not heavily dependent on stakeholder engagement, in terms of local populations, except with respect to enforcement. Local populations have been essential to early warning systems for fires and other threats, including intruders. This facilitated Moratorium enforcement and forest protection.

On the other hand, the Social Forestry Programme involved regular stakeholder engagement as the participants that entered into legal arrangements: license, permits, forest partnership agreements etc, did so in a voluntary participatory way, via applications that involved regular exchanges with local communities and the government, and in many cases, the subsequently provision of financial and technical support to these collectives and other private actors trying to engage in sustainable community timber plantations and/or the dedication to alternative deforestation free products and economies.

As noted below, while the voluntary application for licenses, permits and forest partnership agreements was a baseline requirement of the Social Forestry, concerns were raised as to the extent to which all grants of forest resource use and access counted with the free, prior and informed consent (FPIC) of Adat communities that might have sustained claims to the underlying lands. Where the local communities or Villages were in fact Adat community, but not yet recognized as such by Indonesia, this may not have been an issue since they were still the soliciting parties and programme beneficiaries. Consistent with the UNDP's Social and Environmental Standards (SES), the ESMF has required development of an FPIC protocol - identifying the when and how - for future applications to activities that may affect Adat communities' rights and interests, lands, resources, territories: whether titled or untitled to the people in question, and traditional livelihoods of the Adat communities concerned.

(v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.

Comments:

Per Decree No. 83, the GoI vows to facilitate in the context of the Social Forestry Programme "forest / land rehabilitation programs / activities, soil and water conservation, biodiversity conservation, conservation-based community empowerment, sustainable forest management certification and / or timber legality certification." Conversion is not permitted in protection and conservation forests. The programme also emphasizes sustainable forest management through community patrols, ecosystem service payments for Village Forest conservation and community transitions to livelihoods that are non-timber based.

Hutan Kemasyarakatan/HKm (community forests) provide for permit holders/community groups that are only allowed to harvest Non-Timber Forest Products (NTFPs) if permits are issued in the protection forest zone. Timber extraction is only allowed in the production forest zone and this is regulated. Hutan Tanaman Rakyat/HTR (community timber plantations) aimed at supporting community groups who work in the timber-based industries. Community groups who have received an HTR license can develop forest plantations and can sustainably harvest the timber. For Hutan Desa/HD (village forests), if permits are issued in the protection forest zone, use of forest resources is limited to NTFPs and other environmental services, such as ecotourism. Again, sustainable timber harvesting is allowed in the production forest zone.

The DG of Social Forestry and Environmental Partnership reported in its last performance summary that 356 communities and 4,136 peoples are now participating in what they categorize as "[n]umber of natural resources and environmental rescue communities in river basins, lakes/water springs, karst, swamps, peatland, coastland, oceans, and small islands, communities around industry areas and settlements, and environmental communities in conservation areas."

The Moratorium itself is designed to expressly prohibit permits and concessions in designated natural primary forests and peatlands identified in the Moratorium's indicative map thereby having elements of conservation and protection both of forests and the biodiversity, including through no-conversion. The Instruction does contain a number of exceptions, however, that permit further development of forest resources, but these existed prior to the adoption of the Moratorium. Substantial natural forest areas under the Moratorium protection are also under the protection of other laws, such as 'Conservation Areas' as designated under Law No 41/1999. This further strengthens forest conservation efforts.

(vi) Actions to address the risks of reversals.

Comments:

Concept of Reversals/Non-permanence of Carbon

Reversal is a major technical issue that was widely discussed as part of the REDD+ negotiations under the UNFCCC as well as for the development of the Terms of Reference (ToR) of the GCF REDD+ RBP pilot program. Under both the UNFCCC and the GCF REDD+ RBP pilot program, it was decided to include reversals under safeguards, whereby countries need to describe "actions to address the risk of reversal".

The risk of "reversals" describes the possibility of reversing climate benefits through the loss of forest carbon biomass, for example through fires or pest outbreaks. There are two types of reversals (i) intentional, such as harvesting, or (ii) unintentional, such as damage/carbon losses caused by a hurricane.

Recognizing the challenges in attributing and separating natural from anthropogenic effects on emissions, i.e., factoring out "natural emissions and sinks" countries report emissions/removals only for those lands that are considered "managed." Parties to the Kyoto Protocol have agreed to allow countries with commitments the option of excluding emissions from natural disturbances. There is also flexibility to do so in the Nationally Determined Contribution guidance as adopted in Katowice.

There is no such flexibility under REDD+ even though there is also no agreed definition for reversals, neither under the UNFCCC nor the GCF REDD+ RBP pilot program. Due to unintentional circumstances, emissions may increase in one year, and then reduce in following years. One single year above, for example, with other years decreasing below the FREL again, may not be considered a reversal trend. It is unclear if a single occurrence in a specific year could be considered a reversal if not part of a trend.

Indonesia's actions to address the risk reversals

In this proposal, Indonesia is seeking results-based payments for the emission reductions of 9 $MtCO_2eq$ annually (average of annual emissions) and 27 $MtCO_2eq$ as the total for 2014–2016, out of a total 145 $MtCO_2$ eq. The GCF will be paying for about 19% of the total volume of emission reductions achieved reducing deforestation in Indonesia in years 2014 to 2016. This means that the risk of reversals of emissions paid for by

the GCF is relatively low and could be compensated with surplus emissions that are not being paid for by the GCF.

It is important to note, nevertheless, the important policies and measures that the Government of Indonesia has put in place as safeguards measures to address the risk of reversals both at the national and subnational level. The following are examples of such initiatives:

1. **Policies, laws and regulations have been introduced to prevent and manage forest fires:**
    a. Presidential Instruction 11/2015 on Enhancing Forest and Land Fire Control that mandates all level of governments to develop land and forest fire management system at their jurisdictions and implement sanctions for business players who do not implement fire management within the area under their jurisdictions.
    b. MOEF Regulation 32/2016 on Control of Forest and Land Fires that empowered different entities from national to community and village level such as National Task Force for Handling Forest and Land Fires, Forest Fire Control Core Team, Village Facilitating teams to prevent fires.
    c. Ministry of Agriculture Regulation No. 5/2018 on Land Clearance and Management for Plantation Without Burning that mandates all estate crop concession holders to maintain environmental sustainability and not use fire for land clearing and land management.
    d. Other practices to avoid fires are described in the ESA Annexes (Annex A, indicator "PLRs seek to detect and reduce forest fires and other disturbances"; Annex B "Conserve biodiversity. Maintain and enhance benefits of ecosystem services").

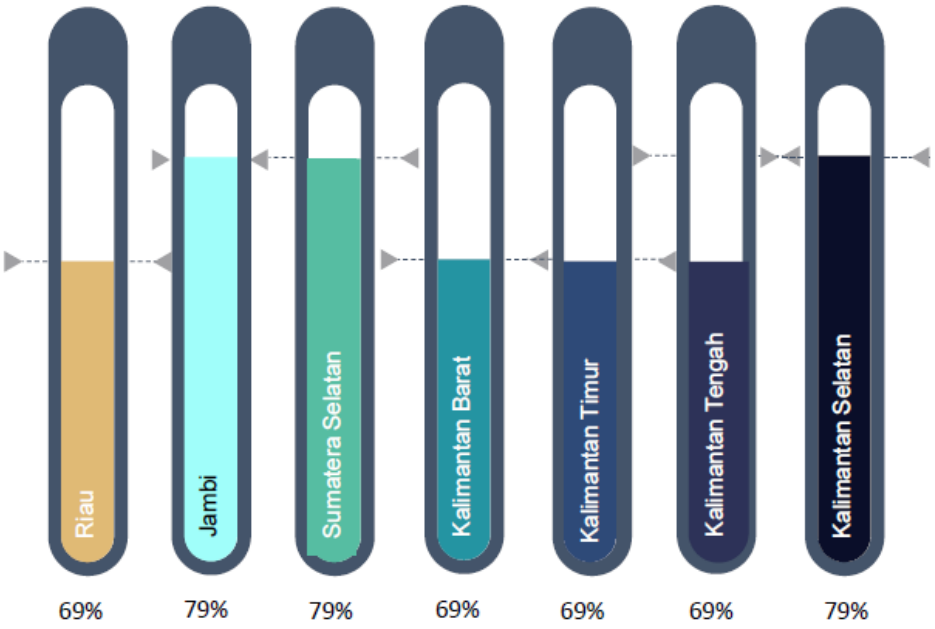
2. **Community engagement in forest and land fire prevention.** Community engagement to protect the environment and prevent forest and land fires that have been implemented by the Ministry of Environment and Forestry, one example is in Daops Dumai in Riau province, where the following actions have been undertaken:
    - SOCIALIZATION: Awareness efforts through socialization and other efforts to increase community knowledge of forest and land fire control efforts.
    - SIGNAGE: Creation of Warning Boards and fire hazard rating information.
    - RIVER NORMALIZATION: Firebreaks and water system improvement through river normalization, canal block construction, reservoirs, and bore wells.
    - COMMUNITY RADIO: Making community radio as a means of providing information, warning and prevention campaigns.
    - EARLY WARNING SYSTEM: Efforts to detect early through patrol and environmental safety system (Sistem Keamanan Lingkungan or siskamling in Indonesian language) by doing a simple analysis to see the condition of vegetation and water level.

Figure 1 : Results of 7 Provinces of Fire-Prone Areas Avoided from the Fire of the Year 2019[4]

The minimum area of fire that can be detected by satellite imagery is 6.25 ha.

- 60-69%: <5 months the province can be protected from forest and land fires
- 70-79%: 6-8 months province can be protected from forest and land fires
- 80-99%: 9 -11 months of the province can be protected from forest and land fires
- 100%: 12 months the province can be protected from forest and land fires

[4] Ministry of Environment and Forestry 2019 Performance Report available at https://www.menlhk.go.id//site/download_file?file=1583722632.pdf



The 2019 performance value is done by calculating the frequency of non-occurrence of forest fires in a year. The values from each province is averaged to approximate provincial performance that can be protected from the dangers of forest and land fires. Each percentage value in the achievements of the seven fire-prone provinces that are protected from the danger of fire shows the frequency of months in a year that can be protected from forest and land fires. The higher the frequency value indicates the more protection from forest and land fires.

Areas identified for further improvement in which the Government of Indonesia is currently working on:

- Improve synergies between parties from the central level to the village level
- Continually developed systems for early detection, weather prediction, weather modification throughout the year
- Establish an emergency alert condition early as a preparedness step
- Enhance Infrastructure Revitalization and improve forest and land fire control skills
- Prevention efforts need to be made at the site level by involving various sectors to increase livelihood
- Improve monitoring systems for Groundwater Levels (TMAT) through technology in peat areas
- The role of the Regional Government is further enhanced in providing support for human resources and the budget
- Continue to improve law enforcement for forest burners
- Steps to diversify types of village-based community land production such as fisheries, animal husbandry, social forest.

3. **Centralized forest monitoring and information systems to track mitigation activities.** Ministry Regulation No. 18/2015 provides for a Directorate of Forest Resources Inventory and Monitoring (IPSDH, in Indonesian) to manage the National Forest Monitoring System (NFMS). It has four sub-units to perform distinctive tasks and responsibilities, i.e.: (a) forest inventory, (b) forest monitoring, (c) forest mapping and (d) spatial data networking. These systems have been essential to avoiding reversions. Indonesia's NFMS and corresponding regulations related to evaluation, reporting, and verification of reductions in carbon emission levels have been pivotal to avoiding reversion through real time knowledge of forest changes. Equally important is the National Greenhouse Gas Inventory System (*Sistem Inventarisasi Gas Rumah Kaca Nasional, SIGN-SMART*) enacted by Presidential Regulation No. 71/2011 which mandates the development of annual GHG inventory report to be published periodically. Through this web-based system, data on the activities of relevant agencies, including from sub-national level, can be delivered and centralized through MOEF, improving the analysis and accuracy of GHG emissions. The National Registry System (SRN) on Climate Change per Ministerial Decree 71/2017 was operationalized since 2016 and collects information on all activities undertaken

in support of climate change adaptation and mitigation. This has helped to, among other things, synchronize actions where needed to avoid forest destruction.

4. **Period performance evaluation of Social Forestry.** Decree No. 83 on Social Forestry provides that the Village, Community, and Community Forest Plantation licenses are valid for a period of 35 years and during this period are evaluated every 5 years (Arts. 53(1) & (3)). This measure, combined with government monitoring, implementation assistance where resources permitted, as well as respect and strengthening of community institutions, development priorities, and decision-making –**create an environment of accountability, a viable, lengthy period of sustainability, and regular motivation to continue producing positive results.**

Figure 2: Number of Production FMUs (KPHP) that apply the principles of sustainable production forest management

5. [Peatland Restoration Information & Monitoring System (PRISM)] **web-platform**. Online Web GIS platform that provides the most recent restoration progress in seven priority provinces. PRIMS enable users to monitor restoration activities, peat degradation indicators and restoration impact.
    - Also helps cross-agencies coordination, and multi-stakeholders' collaboration
    - Includes:
        - [Dashboard]: restoration activities; detection of hotspots with year-to-year comparison and trends; GLAD tree cover loss alerts with 6-month trends, and trends for tree cover loss in peatlands over 1990-2017; Peat Care Villages.
        - [Restoration Implementation Spatial Distribution]: allows users to observe the spatial distribution of restoration intervention points already implemented in 7 restoration priority provinces since 2016. Types of restoration implemented by Peatland Restoration Agency (Badan Restorasi Gambut or BRG in Indonesian language) consists of:
            - ✓ Canal blocking, for peat rewetting
            - ✓ Deep well, for peat rewetting
            - ✓ Canal backfilling, for peat rewetting
            - ✓ Revegetation, through active interventions such as establishing nurseries, breeding, and planting, as well as passive interventions such as the promotion of natural regeneration and seed dispersal
            - ✓ Livelihoods revitalization, by developing peat-friendly, water-based, and environmentally sustainable income-generating activities
        - [Monitoring of Hotspot distribution in Peat Hydrological Unit] (PHU): Hotspot is one of several indicators of forest/land fires, whereby the higher the number and concentration of hotspots, the higher the potential for forest/land fires in the area. These pre-set displays hotspot distribution in the past 24 hours, with a confidence level of 30% - 100%). Hot spot distribution data from: FIRMS (Fire Information for Resource Management System), Terra/Aqua's Moderate Resolution Imaging Spectroradiometer (MODIS) with a spatial resolution of 1000 meters, and Visible Infrared Imaging Radiometer Suite (VIIRS) with a spatial resolution of 375 meters. This data is updated daily.
        - **Global Land Analysis and Discovery (GLAD) alerts** for tree cover loss.
        - [Distribution of Peat Care Village (DPG) in peatland]: allows user to see the location and distribution pattern of Peat Care Villages (DPG) within peatland areas in 7 BRG

restoration priority provinces. 'Peat Care Villages' (*Desa Peduli Gambut* - DPG), is a village development program in BRG priority restoration areas. Among other things, the DPG program facilitates spatial planning activities, conflict identification and resolution, recognition and legalization of rights and access, institution building for water and land management, inter-village cooperation, economic empowerment, strengthening of local knowledge, and community fire prevention in rural areas and villages. This is consistent with MoEF 2020 strategy of further including local communities in fire prevention, detection, remediation, and ties well with the project (SF/FMUs).

6. **Peatland Water Monitoring System (SIPALAGA)**: The BRG, through the Deputy for Research and Development, developed the latest information technology innovation in the form of a Peatland Water Monitoring System (SIPALAGA), a real-time data monitoring platform derived from a water level monitoring tool (TMA) that can measure peat soil moisture, rainfall levels, air temperature and humidity as well as wind direction and speed. By December 2018, BRG had installed 142 TMA monitoring equipment, spread in 7 Restoration Priority Provinces. **Monitoring TMA on peatlands is important for preventing forest and land fire (karhutla) disasters and greenhouse gas emissions.** TMA monitoring prevents peatlands from losing water uncontrollably. The reduced water on peatlands has a negative impact, among others are decreasing TMA, decreasing peat surface, CO2 emission, fire occurrence and total dryness (irreversible drying). The government has tried to prevent damage to the peat ecosystem by issuing a policy, namely Government Regulation (PP) No. 57/2016, which confirms that the utilization of peat ecosystems must be done by maintaining the hydrological function of peat[5]. The Peatland water monitoring system (SIPALAGA) was also prepared to prevent potential forest and land fires (karhutla) due to drought. **The system was introduced by the BRG as a preventive measure to keep the peatlands wet.** A real time sensor will be installed in each peatland. **If something unexpected happens, the BRG Head immediately informs the Task Force to increase patrol**. Then the **local government will look after BRG and village facilitators so that they can come in together with the Village Head and the community to help**.

7. **Results-based payments as key financial incentives for the permanence of REDD+ results.** The implementation of REDD+ activities and the permanence of results achieved require the provision, on a continuous basis, of adequate and predictable results-based payments in accordance with the relevant UNFCCC decisions. Operationalizing REDD+ results-based payments through GCF project to support decentralized sustainable forest governance will be a central strategy to address the risk of reversals in Indonesia. Indonesia has been working for many years on readiness for REDD+. Agreements with donors have been signed but no resources have been received so far. In this process, expectations have been raised that forest conservation would be valued. For many years now, people on the ground have been waiting to receive resources from results-based payments that have yet to materialized. Providing on-the-ground incentives for forest conservation is a key strategy to ensure the permanence of the results already achieved in Indonesia.

Conclusion

The actions described above provide a general summary of the initiatives that the Government of Indonesia has put in place to address the risk of reversals and ensure the permanence of its REDD+ results. These actions are in accordance with international best practices and with the GCF current rules. Actions to address the risk of reversals are not guaranteed/100% effective until further into the future to prevent any type of increase in deforestation. It is nevertheless clear that the Government of Indonesia is committed to anticipate this risk and put the measures in place to mitigate it. This RBP proposal comes in the right direction to assist the Government of Indonesia in these efforts.

(vii) Actions to reduce displacement of emissions.

Comments:

Indonesia's national REDD+ strategy (STRANAS) is a multifaceted initiative to achieve results at the national scale. Emission reductions result from a series of interrelationships of different enabling policies, e.g. inter-institutional coordination, centralizing of forest monitoring data, and the acceleration of the Social Forestry programme which also looks at forest / land rehabilitation programs / activities, soil and water conservation,

[5] https://ptpsw.bppt.go.id/index.php/produk/93-sipalaga and https://www.bppt.go.id/teknologi-sumberdaya-alam-dan-kebencanaan/3485-inovasi-teknologi-sipalaga-pantau-muka-air-lahan-gambut-siap-antisipasi-karhutla

biodiversity conservation, and sustainable forest management certification and / or timber legality certification, the enforcement of a moratorium, and the overall promotion of sustainable deforestation free markets and economies.

Given that there is an integrated package of policies and measures to address the drivers of deforestation on a *national* scale, the risk of displacement is reduced. For example, existing programs like the Social Forestry programme could - if these were the only programmes - displace emissions outside of the areas covered by the programme, thereby counteracting the positive GHG mitigation effects. Protected areas other than those found in the Moratorium area, provide continued protection. STRANAS also supports development and enforcement of land-use planning across the landscape and promotes policies and the enhancement of its legal framework to create positive incentives to stop deforestation or the drivers of deforestation. As identified in the PLR analysis (ESA Annex XIII (i)-Annex A) (see responses to "Criteria F&G"), this includes PLRs seeking not only to detect and reduce forest fires and other forest disturbances, but also to implement effective law enforcement to combat and eradicate illegal forest-related practices, as well as support for the development and enforcement of land-use planning across the landscape.

C.1.2. Stakeholder involvement.

Please describe and provide evidence that the Cancun safeguards information was made transparently available to stakeholders.

Stakeholder engagement in REDD+ began early in the preparation phase including with the development of the National REDD+ Strategy (STRANAS). Building upon that inclusiveness, stakeholders were then involved in key discussions, through multi-stakeholder Focus Group Discussions, around how to monitor and demonstrate project respect and compliance with the Cancun safeguards.

National REDD+ Strategy (STRANAS)
The STRANAS was released on 19 September 2012 under Decree No. 2/Satgas REDD+/09/2012[6]. It was coordinated by the State Ministry of National Development Planning (BAPPENAS) based on its mandate from the Coordinating Minister for the Economy. To ensure the development process was transparent, inclusive, accountable and reliable, BAPPENAS upheld the following four key principles:

1. Inclusiveness, involving men, women, youths as well as institutional stakeholders that will either implement or be affected directly and indirectly by the policies.
2. Transparency, through a formulation process that adheres to the values of openness, honesty, and clarity, and with the public having access to information concerning the stages of implementation as well as access to monitor the process.
3. Credibility, with the formulation process managed by reputable institutions or individuals, and conducted based on an inclusive, transparent, and reliable approach.
4. Institutionalization, in that ideas, knowledge, values, legal foundations, resources, structure and organizational mechanism which describe the six key aspects: order, autonomy, adaptability, comprehensiveness, coherence, and functionality are institutionalized.

The STRANAS development process was guided by (i) a team of seven writers with REDD+ expertise; (ii) a working group comprising civil society including among others, the Aliansi Masyarakat Adat Nusantara[7] (AMAN), university and government representatives who provided technical inputs to the draft strategy; and (iii) a steering committee consisting of high government officials from BAPPENAS, the then-Ministry of Forestry, Ministry of Public Works and other relevant line ministries who provided policy guidance.

Multi-stakeholder consultations were held in seven regions that covered 33 provinces in Indonesia, at the national as well as international levels. This was followed by a national expert meeting which further revised the draft based on these broad consultative meetings, and a final national workshop before the final draft was presented to the multi-stakeholder conformed REDD+ Task Force which consists of ten working groups which are each led by one government and one non-government representative. The final STRANAS also included integrates gender considerations and attention to equality in roles, needs, and responsibilities of men and women reflecting the increasing awareness and commitment to integrated gender equality into REDD+ policies

[6] http://ditjenppi.menlhk.go.id/reddplus/images/resources/redd/StrategiNasionalREDD_SatgasREDD_201209_in.pdf; and https://redd.unfccc.int/files/reddnationalstrategyidn_english.pdf
[7] AMAN is the national umbrella organization for the indigenous peoples of the Indonesian archipelago.

and implementation. Lessons learnt[8] from the process to develop the STRANAS was produced by the UN-REDD Programme, who provided support for a National Programme from 2010 to 2012. While the STRANAS was released in 2012, it still remains largely relevant to date in substance. Furthermore, 11 provinces, i.e. Aceh, Riau, Jambi, South Sumatera, West Sumatera, East Kalimantan, West Kalimantan, Central Kalimantan, Central Sulawesi, Papua and West Papua have formulated provincial REDD+ strategies and action plans (SRAPs). These SRAP development processes also upheld the principle of gender equity and social inclusion.

The REDD+ Task Force remained in place until 30 June 2013 when it was replaced by the REDD+ Agency. Under the Presidential Regulation No. 16/2015, the tasks of the REDD+ Agency were then taken over by the Directorate General of Climate Change (DGCC) under a new Ministry of Environment and Forestry (MOEF). At least 11 REDD+ working groups in the 11 provinces mentioned above, have also been established since 2011.

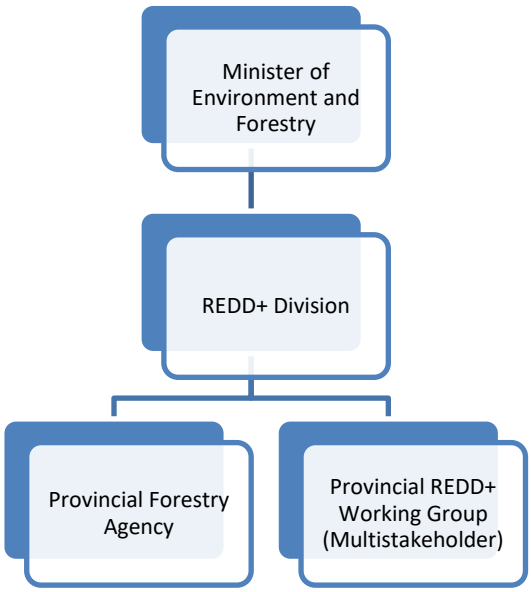


Figure 3: Institutional Arrangements for REDD+ in Ministry of Environment & Forestry

Safeguards Information System

In early 2011, the previous Ministry of Forestry commenced a multi-stakeholder process to develop a Safeguards Information System (SIS) that:

1. Analysed existing policies and instruments to evaluate their relevance to the Cancun safeguards.
2. Translated the Cancun safeguards into the national context with appropriate principles, criteria and indicators.
3. Identified the most suitable structure and mechanism for SIS-REDD+ and drafted its institutional design.
4. Determined and developed assessment tools for safeguards implementation.

The result from the multi-stakeholder process is a web-based information system at the national level, named SIS-REDD+, that compiled information, based on 7 principles, 17 criteria and 32 indicators, on safeguard implementation in each province. Indeed, through this multi-stakeholder process, the “Principles, Criteria and Indicators” (PC&Is) for each of the Cancun Safeguards were established (and made public in 2013), along with various assessment tools, including the “Safeguards Implementation Tool and Assessment Procedures for using Safeguards Implementation (APPS) based decision in COP-16 Safeguards Implementation System (SIS) REDD+ Indonesia annexed to REDD+ regulations of the MOEF (No. 70/MENLHK/SETJEN/ KUM.1/12/2017).

During 2011 to 2012 the development of the PC&Is for SIS-REDD+ was an inclusive process, punctuated by multi-stakeholder participation through three national workshops and 3 Focus Group Discussions. Nine public consultation events were conducted, including national workshops and focus group discussions, and a number

[8] https://www.unredd.net/documents/un-redd-partner-countries-181/asia-the-pacific-333/a-p-knowledge-management-a-resources/fpic-repository-2668/fpic-lessons-learned-and-recommendations-2669/by-countries-2696/indonesia-2707/11122-multi-stakeholders-approach-for-developing-indonesia-s-first-redd-strategy-lessons-learned-from-consultation-process-english-11122.html

of interviews with various stakeholders. This was companioned with the APPS tool which provides REDD+ implementors and Responsible Parties with a template for gathering information about safeguard implementation in REDD+ programming which will eventually be uploaded to the SIS-REDD+ system to feed into the annual SOI's and be part of the safeguard information that is transparently available to the public on the SIS-REDD+ website.

The SIS-REDD+ system is a cornerstone to the safeguard system. It is being developed to serve as an amalgamation of existing information systems, sources and institutional arrangements that will meet the SIS objectives (Figure 4).

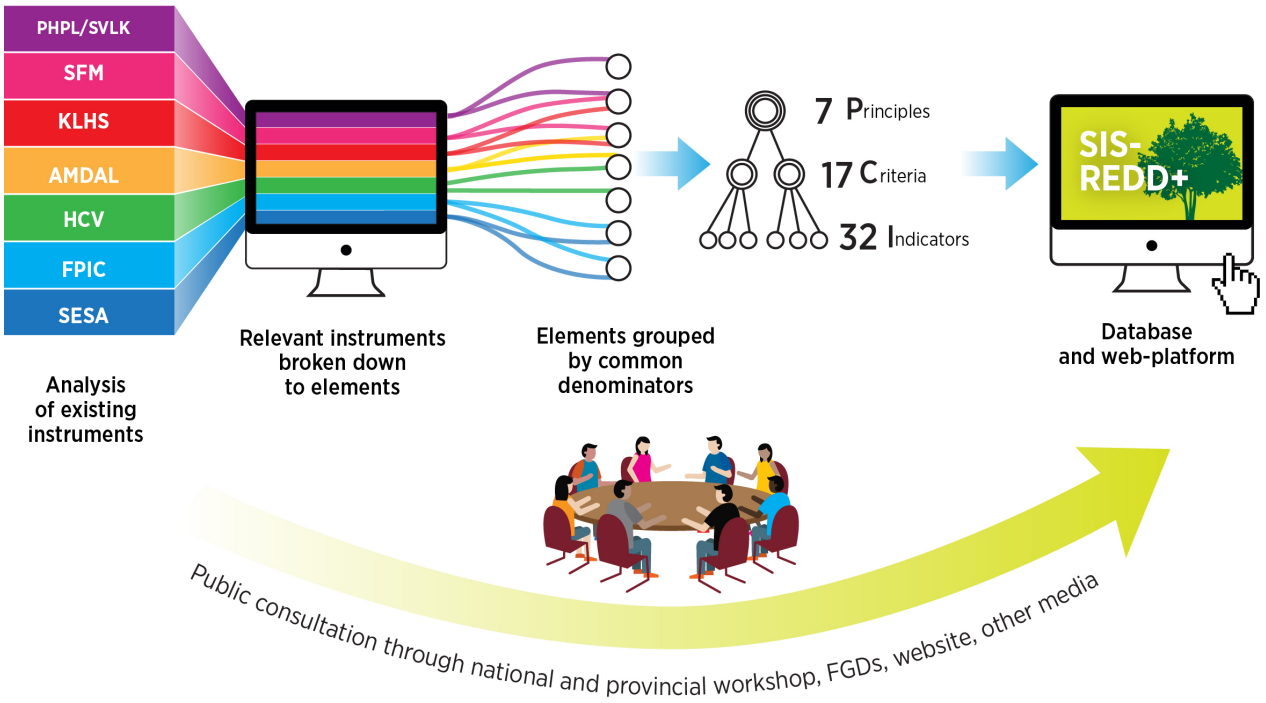


Figure 4 : Development of PCI for SIS REDD+

Source: DJPPI[9] (2015)

The information presented in SIS-REDD+ was adapted to the implementation of the existing and relevant safeguards frameworks such as Environmental Impact Assessment (AMDAL), Strategic Environmental Assessment (KLHS), Timber Legality Assurance System for Sustainable Forest Management and Production (SVLK/PHPL), Sustainable Forest Management Certification (SFM), High Conservation Value (HCV), Free, Prior, and Informed Consent (FPIC), and Strategic Environmental and Social Assessment (SESA).

The SIS-REDD+ web-platform consists of two parts:

1. Database to collect, compile and manage data and information on REDD+ safeguards implementation, and
2. Web platform to display the information on safeguards implementation.

Collection of data, management and provision of information on the implementation of safeguards is conducted by actors at site level through self-assessment process by completing a Safeguards Implementation Assessment Tool (APPS). This APPS was developed based on the principles of simplicity, transparency, accountability, completeness and comparability. The aim is for this information on safeguards from the site level to be progressively centralized to the SIS management in districts, onward to provinces and finally the national level. The respective roles at these various levels of government governance are therefore expected to be as follows: (i) "REDD+ implementers" at local level: collection and transmission of information, (ii) "REDD+ Managers" at District and Province level will compile, "validate "and then transfer data to the national level, (iii) The REDD+ Unit at the national level will then compile and analyze all inputs, and then report to relevant audience (government, UNFCCC, donors, etc).

[9] Directorate General for Climate Change, Ministry of Environment and Forestry

The exception to this three-layered structure is for REDD+ actions that are conducted (i) in conservation forests, which are managed by the central government rather than by the provinces as for other forests, or those by (ii) international projects, which have their own Project Management Units, with M&E and safeguards officers to provide quality assurance and preliminary analysis. In these cases, safeguards reporting is submitted directly to the national level (potentially through their relevant internal units at subnational &/or national level).

Figure 5 below summarizes the information flow for the main three-layered information structure and further description for each step of the information flow is available in Indonesia's *2018 REDD+ Performance Report* and *Safeguards Information System for REDD+ in Indonesia: Moving towards and Operational SIS-REDD+*.[10] As seen below, it is anticipated that a stakeholder forum will continue to play an important role in safeguard implementation.

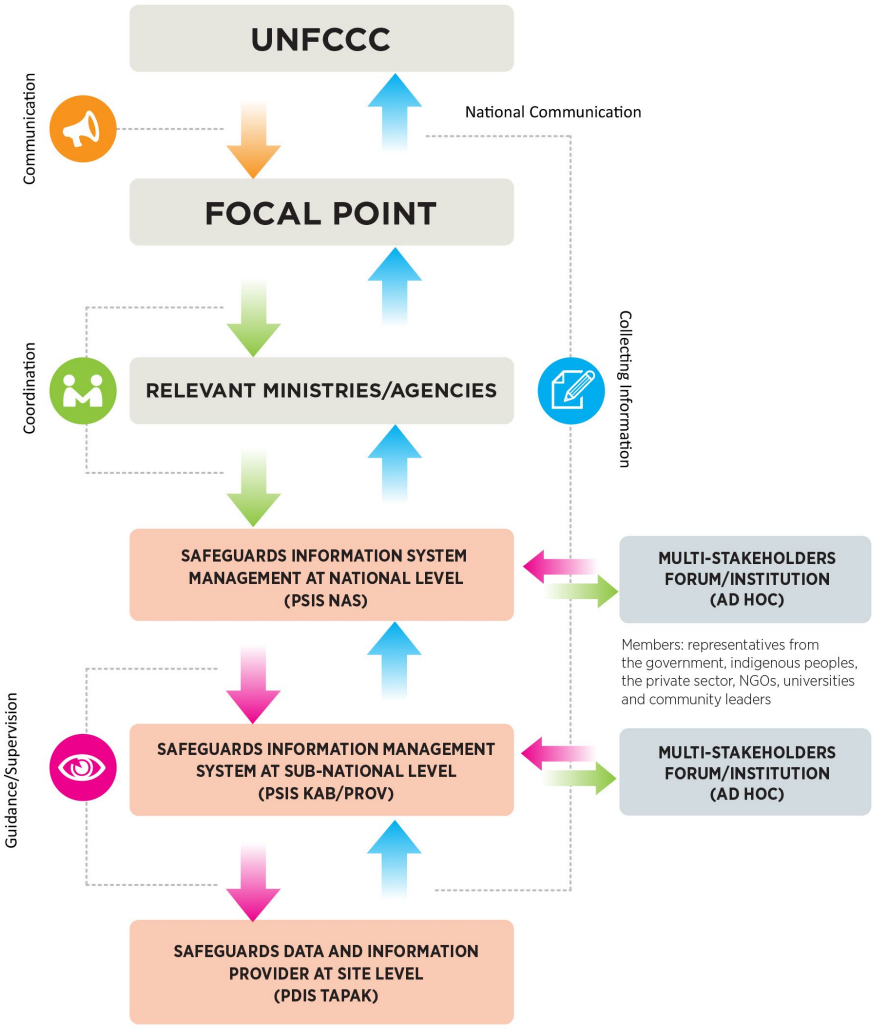


Figure 5: Institutional structure and information flow in SIS-REDD+ for the main three-layered structure of information management

Source: Ministry of Environment and Forestry (2018)

SIS-REDD+ is now operational in three provinces: East Kalimantan, Jambi and West Kalimantan. Challenges faced in these provinces, include especially the capacity to provide relevant data demonstrating that safeguards have been implemented, especially at the district level. Also, documents required for verification by SIS-REDD+

[10] See Safeguards Information System for REDD+ in Indonesia: Moving towards and Operational SIS-REDD+ at https://www.forclime.org/documents/Books/Safeguards%20Information%20System%20for%20REDD+%20in%20Indonesia_Engl_Full_med%20res.pdf
and Indonesia Report on REDD+ Performance 2018:
http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/Book_IRPR_KLHK_B5_revisi_4_opt.pdf

are more readily available at provincial rather than district level, but this is not considered a significant challenge since the province is the overall administrator of SIS-REDD+ at the subnational level and thus, information supporting the fact that safeguards are respected will still be forthcoming. Capacity still needs to be built in other key Provinces for REDD+.

The iterative processes for the SIS development, which took place from 2011 to 2013, helped to engage many core REDD+ actors as well as broader REDD+ actors in the country. By promoting greater transparency and participation, there was a stronger sense of ownership and legitimacy. This also helped ensure that the principles, criteria and indicators of the SIS fit within national and subnational contexts and can be applied effectively.

Notably, after stakeholders involved themselves in the development of the SIS-REDD+, PC&Is and APPs tool, in 2015 an ongoing consultative process began to develop the NDCs. The process consulted with stakeholders in 34 provinces.

The ESMF recommendations provide for the multi-stakeholder review and update of the PC&Is, accounting for new developments in policy, law and practice. The RBP project plans to further develop and strengthen the SIS-REDD+ (see propose Activity 1.1). This is to be done in the context of multi-stakeholder processes. The development of a project-level GRM (complementing the national GRM hosted by MOEF) will also be done with stakeholders and potential complainants –each with a vested interest in having a mechanism to raise safeguard non-compliance issues as necessary.

(*See also* E.1.3. below "Consultations with Stakeholders").

C.2. Use of proceeds and non-carbon benefits

C.2.1. General description:

Provide a description on how the proceeds will be reinvested in activities consistent with the country's NDC, national REDD-plus strategy and/or low carbon development plans and policies. The description should also include how the proceeds will be used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits.

Indonesia submitted its first **Nationally Determined Contribution (NDC)** to the UNFCCC in November 2016. In its NDC, Indonesia voluntarily commits to reduce its greenhouse gases emissions against the business as usual scenario nationwide:

- By 29% by 2030, unconditionally;
- With a possible conditional increase of ambition to 41% by 2030, subject to availability of international support for finance, technology transfer and development and capacity building.

The importance of REDD+ is clearly reflected in the 1st Indonesian NDC, which mentions explicitly that "*REDD+ will be an important component of the NDC target from land use sector*". Accordingly, the government of Indonesia has considered that REDD+ must be mainstreamed into national policies and implemented at sub national levels to support the achievement of Indonesia's emission reduction target as well as access positive incentives through REDD+ results-based payments.

The NDC highlights the significant steps that Indonesia has already taken to reduce emissions in the land use and forestry sector, including by instituting a moratorium on the clearing of primary forests and by reducing deforestation and forest degradation of its remaining forests, restoring ecosystem functions, as well as sustainable forest management through various programmes and initiatives, including social forestry.

The NDC also points out the important role attributed to landscape-scale and ecosystem management approach, emphasizing the critical role of sub-national jurisdictions to ensure greater and more enduring benefits from these initiatives. In both planning and implementation phases, Indonesia has constantly ensured the active participation of the civil society organizations, local communities and the most vulnerable groups, especially adat communities (*Masyarakat Hukum Adat*, internationally known as Indigenous People) and women, as well as the private sector, including small and medium enterprises.

The **National Action Plan for Reducing Greenhouse Gas Emissions** 2010-2020 (RAN-GRK), adopted in 2011, established the national emissions reduction target of 26% below BAU by 2020, and up to 41% below BAU with adequate international support. The RAN-GRK provides the basis for the implementation of various mitigation actions in the forestry, agriculture, energy, transport, industry, and waste sectors. It reshapes Indonesia's commitments in its INDC and NDC submissions. RPJMN sets two targets for the forestry sector: land and forest restoration targets and social forestry targets (more details on this below).

The **National Medium-Term Development Plan 2015-2019** (RPJMN 2015-2019) established GHG emissions reduction for five priority sectors (forestry and peat lands, agriculture, energy and transportation, industry, and waste) to achieve the 2020 target in line with the RAN-GRK.

The National REDD+ Strategy (STRANAS), which was released in 2012 and which substantive content remains relevant under the leadership of the Directorate General of Climate Change, is structured around five pillars: 1. Institutions and processes, 2. Laws, 3. Strategic programs, 4. Cultures and paradigm shifts, 5. Multi-stakeholder's involvement. The status of implementation of each pillar is summarized in Table 4 below. It presents the many Policies and Measures (PAMs) that Indonesia has implemented to collectively:

1. Address the direct and underlying drivers of deforestation and forest degradation, and to tackle the barriers to sustainable management of forests, conservation and enhancement of carbon stocks, in line with UNFCCC decisions related to REDD+ national strategies and action plans, while
2. Contributing to a more sustainable and equitable development.

More information on key programmes is provided after the table.

The STRANAS is complemented by **REDD+ Provincial Strategy and Action Plans** (*Strategi dan Rencana Aksi Provinsi* - SRAPs) in the eleven REDD+ pilot provinces. SRAP documents describe drivers of deforestation and forest degradation, strategies to address them and plans for actions for REDD+ implementation based on the specific circumstances of each province. SRAPs are aimed to be reviewed periodically to ensure alignment with policies, programmes and development plans at national and subnational levels. Indeed, REDD+ SRAP documents aim to serve as reference documents supporting the mainstreaming of climate change and REDD+ into sub-national development planning processes and systems.

Pillar of the National REDD+ Strategy / Status	Remarks
(i) Institutions and Process	
REDD+ Institutions: In place	• At the national level, a REDD+ Institutional Preparation Task Force was established in 2010, and replaced by the REDD+ Agency once established in 2013; • Since 2015 (based on Presidential Regulation No. 16/2015) the tasks of the Agency were taken up by the Ministry of Environment and Forestry (MOEF) under the Directorate General of Climate Change (DGCC); • At the sub national, REDD+ institutions were established in 11 pilot Provinces in the form of a Working Group, Commission, or Task Force; • As REDD+ is part of the NDC, REDD+ institutions at sub-national level are encouraged to participate in NDC institutions, which are led by DGCC in MOEF in coordination with BAPPENAS.
Funding Instrument: Established, operationalization ongoing	• Government Regulation 46/2017 on the Economic Instrument for Environment, giving mandate to government to establish a Public Service Agency on environmental funds, including climate change funds; • Ministerial Decree 70/2017 on REDD+ governance, giving mandate that REDD+ funds should be managed by the Public Service Agency; • Presidential Regulation (PERPRES) 77/2018 establishing the Environmental Fund and its management, and giving mandate to the Public Service Agency to manage environmental funds, including REDD+ finance; • Ministry of Finance Ministerial Regulation 137/2019 on the organization and working procedures of the Environmental Fund; • Ministry of Finance Ministerial Decree 779/KMK.O5/2019 authorizing BPDLH to use the BLU modality for the Environmental Fund.
MRV Institution: In place	• The National Registry System (SRN) on Climate Change is operational since 2016, and now under Ministerial Decree 71/2017 on National Registry. The SRN includes the REDD+ registry, for: (i) data collection on REDD+ actions and resources; and (ii) avoid double counting of REDD+ actions and resources according to the principle of clarity, transparency and understanding; • Guidance for MRV of climate change actions and support is in place; • Guidance for MRV of REDD+ is part of the Ministerial Regulation on REDD+ (Ministerial Decree 70/2017) and in line with the Ministerial Regulation on MRV (Ministerial Decree 72/2017); • A Panel on Methodology has been established.
(ii) Laws and Programs	
Land rights: Continuous progress	• Land and forest governance reform is established • Recognition and Protection of Customary Right is given by the national government; • Agrarian and Social Forestry Reform is ongoing

	• Ministerial Decree related Indigenous Forests are issued[11]
Spatial planning, data and mapping: Continuous progress	• The One Map policy is established; • Cadastral baseline database is developed; • Presidential Regulation 27/2014 on National Geospatial Information Network (improvement of Presidential Regulation 85/2007 on National Spatial Data Network); • Presidential Regulation 9/2016 on Acceleration to One Map Policy Implementation (1:50.000) is in place.
Review of law enforcement and corruption prevention: Continuous progress	• Road map of Law Reform is established; • Conflict resolution is carried out in 6 National Parks; • Permit moratorium and conflict resolution are carried out through the multi-door approach to address forest-related crimes.
Concession Moratorium: In place	• Indonesian forest concession/ license moratorium implemented through Presidential Instruction 8/2015 and Ministerial Decree SK.2312/Menhut-VII/ IPSDH/2015 (PIPIB), reviewed every 2 years and recently made permanent through Presidential Instruction 5/2019.
Harmonizing the incentive systems: Continuous progress	• Some initiatives developed result based payment system related to emission reduction measures from deforestation and forest degradation by local community at the district level; • Engagement of private sector built as one of resources for REDD+ financing
(iii) Strategic Programs	
Sustainable management of landscape: Continuous progress	• Memorandum of Understanding (MoU) with local governments to develop sustainable management of landscape at sub national level established; • Watershed management is implemented; • Forest Management Units (KPH)-based on watershed are established
Sustainable economic system in terms of resource utilization: Continuous progress	• Low emission development strategies are developed at provincial level, including Provincial Conservation Strategy; • REDD+ Provincial Strategy and Action Plans (SRAPs) developed in 11 pilot provinces
Conservation and rehabilitation: Implemented	• Conflict resolution in national parks are carried out; • Prevention program of peat and forest fire are carried out: Presidential Instruction No. 11/2015 on social forestry mandates all level of governments to develop land and forest fire management system in their jurisdictions and implement sanctions for business actors who do not implement fire management within the area under their jurisdictions; • In addition, Minister of Agriculture Regulation No. 5/2018 on Land Clearance and Management for Plantation Without Burning, mandates all estate crop concession holders to maintain environmental sustainability and not using fire for land clearing and land management • Presidential Regulation No. 57/2016 on the Revision to the Presidential Regulation No. 71/2014, provides for stricter regulation in the use of peatlands. This policy also mandates governments at all levels to develop integrated peatland protection and management actions and to restore/rehabilitate the degraded peatlands • MOEF Regulation No. 39/2016 on the Revision to the Ministerial Regulation No. 9/2013 provides supports and incentives for the rehabilitation of degraded lands and forests and the use of unproductive lands through the planting of multi-purpose tree species (MPTS) under an agroforestry system • Rehabilitation national movement is implemented, including replanting on burnt area, degraded land, and firebreaks; • Restoration programs are implemented, including those are embedded in a livelihood program
(iv) Paradigm and work culture shifts	
Enhancement of forest management and land use: Continuous progress	• A robust and transparent NFMS was established; • Improvement and update of data from permanent sample plot at sub national level are ongoing; • National Registry System on Climate Change (web platform), National GHG Inventory System (web platform), SIS REDD+ (web platform) were developed; • FREL REDD+ Indonesia is established • MOEF Regulation No. 30/2016 on the Performance Evaluation of Forest Management Policy mandates all forest concession holders to obtain forest sustainable management certification, to ensure they apply sustainable management practices

[11] SK.6737/menlhkpskl/ kum.1/12/2016; Sk.6738/menlhkpskl/ kum.1/12/2016; SK.6739/menlhkpskl/ kum.1/12/2016; SK.6740/menlhk-pskl/ kum.1/12/2016; SK.6743/menlhkpskl/ kum.1/12/2016; SK.6744/menlhkpskl/ kum.1/12/2016; SK.6744/menlhk-pskl/ kum.1/12/2016 in 5 provinces and 6 districts

Empowering local economy in accordance with sustainability principle: Implemented	• Minister of Environment and Forestry Regulation No. 83/2016 strengthens sustainable forest management by communities to improve their livelihoods and life quality as well as developing the forest potentials. • Support to the development of Indicative Maps for Social Forestry provided; • Strengthening capacity of local facilitators; • Support to local community in partnership mechanism with private sectors; • Introduction of performance-based payments pilot activities (payment for ecosystem services) using community grants; • 200,000 hectares proposal involving local communities; • Example of an agreement on 'payment for ecosystem services' to private sectors between Nagari Malalo with PT. PLN and Nagari Sungai Buluh with PT. Angkasa Pura II were established
National campaign for forest saving activities: Continuous progress	• Several events and programs are carried out: the REDD+ Indonesia Day, The Indonesia Climate Festival, Dissemination of Paris Agreement, Launching of National Registry at national and international forum, The Indonesia Peat Forum, and others
(v) Multi-stakeholder involvement	
Conducting interactions with many groups (sub-national government, private sectors, nongovernmental organization, indigenous/ local and international community)**:** Continuous progress	• Capacity and local institutional building; • Stakeholder engagement; • Multi-stakeholders forum; • MoU with local government; • Engagement of private sector as one of the resources for REDD+ financing; • Continuous engagement with 11 pilot provinces, especially the 6 provinces under transition program; • Cooperation with universities and research institution (Climate Change and Forestry Expert Network); • Citizen journalism program.
Developing social and environmental safeguards: Implemented	• Principle, Criteria, Indicator and Assessment Tools for a System for Providing Information on REDD+ Safeguards Implementation is developed; • SIS REDD+ web platform is operational
Striving for a fair benefit sharing: Continuous progress	• Some research and studies on benefit sharing mechanism related to emission reduction measures from deforestation and forest degradation are developed, involving local community at district level. • Part of Ministerial Regulation on REDD+.

Table 4. Implementation status of the National REDD+ strategy as of January 2018

As highlighted in the **2nd Biennial Update Report** (BUR), the five priority policies issued and implemented by Indonesia to address the causes of deforestation and forest degradation were (i) combating illegal logging and forest fires, (ii) restructuring the forestry sector industries including enhancing plantation development, (iii) rehabilitating and conserving forests, (iv) promoting sustainable forest area, and (v) strengthening local economies.

Some key policies are further presented hereafter:

Moratorium

Among the key programmes and organizations to achieve these 5 priority policies, Indonesia imposed in 2011 a moratorium on the issuance of new concessions in primary forests and peatlands, renewed by Presidential Instruction every two years (2011, 2013, 2015, 2017), and most recently made permanent[12] in August 2019. Through this moratorium, 66 million natural forests and peatlands are legally protected from planned deforestation activities. In addition, the government at each level cannot reduce the functional status of forest areas, such as legally reducing the function of conservation forests to production forests in order to grant use permit to applicants.

This moratorium sends a clear and strong message about the importance of protecting peatlands and resulted in substantial emission reductions. According to Wijaya *et al*. (2017), the moratorium has actually the greatest potential of all Indonesia's mitigation policies, and that if it is extended to 2030 in its present form (which is now the case having been made permanent in 2019) it could reduce emissions by nearly 200 million tonnes of CO_{2eq}.

To facilitate governance around the Moratorium, an "*Indicative Map of the Termination of the Granting of New Permits*" (i.e. "Moratorium map" or PIPPIB) was established. As mentioned in the ESA (cf. Annex XIII (i), the

[12] A copy of this Presidential Instructions in Indonesian language is available at https://gapki.id/wp-content/uploads/2019/08/Inpres-Nomor-5-Tahun-2019-Salinan.pdf

Moratorium has also helped to promote increased cooperation among ministries, information sharing from the central to local levels (as elements of monitoring, forest management, and permit issuance needed improvement, along with greater transparency and coordination and measures to avoid fires). Over time, the August 2019 Presidential Instruction provided even greater details around the responsibilities of the various government ministries and units, and affirmed the need for periodic revision of the Moratorium map every six months, after coordination with other ministerial and non-ministerial government institutions.

The moratorium is an opportunity for Indonesia to improve its forest governance. It is further supported through other initiatives that contribute to forest land and resources planning, decentralized forest management and law enforcement, such as Forest Management Units and the Social Forestry Programme.

Peat Restoration Agency (BRG)

The government has set up a Peat Restoration Agency (BRG). BRG aims to restore 2.4 million hectares of peatland by 2020 in seven priority provinces (Riau, Jambi, South Sumatra [Sumsel], West Kalimantan, Central Kalimantan, South Kalimantan, and Papua), out of the total 12.9 million hectares of peatlands mapped by the agency. The BRG estimated that more than 6.7 million hectares of peatlands are degraded and have the potential to be restored, whereas 6.2 million hectares of intact peatlands must be protected and conserved. The BRG's priority is to restore peatlands burned in 2015, the high-carbon-stock peat dome areas, and peatlands with canals. BRG conducts activities to rewet peat ecosystems, facilitate and empower the community economy, plan the restoration and mapping of the Peat Hydrological Unit, build demonstrations for integrated peat farming plots, and install water level monitoring devices. Restoration has been carried out on peat areas in protected areas and unlicensed cultivation areas. The BRG peatland restoration program had already achieved 679,901 ha during the period 2016 to 2018.

Land and forest restoration in the National Medium-Term Development Plan (RPJMN) 2015-2019

The RPJMN 2015-2019 targets in terms of land and forest restoration aimed to reach 5.5 million hectares by 2019. Areas of degraded land are designated as forest management units (*kesatuan pengelolaan hutan*; KPH) or watershed areas (daerah aliran sungai; DAS). The RPJMN 2020-2024 is still under formulation, but the latest draft version indicates a target of at least 4 million ha by 2024.

Land reform and Social Forestry Programme

One of the main components of President Joko Widodo "Just Economy" policy is an ambitious land reform programme through which the government intends to redistribute control over 21.7 million hectares of land to communities (about 12% of the nation's land area), of which 16.8 million hectares are on forest land. The land reform programme consists of two major components: The agrarian reform programme, which targets nine million hectares of land, and the Social Forestry programme, targeting 12.7 million hectares of forests, for enhanced sustainable forest management.

The Agrarian reform programme involves the distribution of land and formalization of land ownership, benefiting landless farmers or farmers with small landholdings, while the Social Forestry programme grants local communities usufruct and management rights to State forest land.

The social forestry (*perhutanan sosial*) programme is included in the Ministry of National Development Planning's (BAPPENAS) National Medium-Term Development Plan for 2015 to 2019. Its overall objective is to reduce poverty among forest dependent people while reducing deforestation and forest degradation, improving land management and conserving forests and valuable ecosystem functions. According to the Ministry of Environment and Forestry, there are indeed 25,863 villages located in or around forest areas (2017). This translates to 37.2 million individuals, representing 9.2 million households, of which approximately 1.7 million are classified as poor.

This programme targets the adjudication, demarcation and transfer of 12.7 million hectares of degraded forest land (i.e. 10% of the total State forest land[13]), to communities for sustainable forest management by 2019. It will also support the restoration of these lands to boost economic welfare, promote community engagement and community ownership in managing lands and forests, and to reduce the pressure to convert old-growth forest for agriculture. As such, the Ministry of Environment and Forestry is the primary actor for the social forestry programme given its mandate to control, regulate, manage and administer natural resources under the Basic Forestry Act No. 5 of 1967 and its subsequent revisions. According to Wijaya et al (2017), of the designated 12.7 million hectares on the Social Forestry map, 2.2 million hectares of degraded lands could potentially be restored, thus contributing directly to emissions reductions targets.

[13] The Forest Estate in Indonesia has three sub-classifications: production forest, conservation forest, and protected forest.

Social forestry in Indonesia represents a significant shift in the role given to communities in forest management, from none officially prior to 1990, to benefitting from a range of regulations that support the role of communities in forest management in recent years, through provision of access, management and/or ownership rights to forest resources and forest land. In addition to the central government, the civil society is also playing a significant role, engaging with both the communities and the government in various capacities to strengthen the policy environment and the actual implementation of this programme. Civil Society Organizations (CSOs) are complemented by local universities and research institutions, local governments as well as private sector.

The programme involves selecting, demarcating and registering access and/or ownership rights, as well as supporting the development of economic activities compatible with the existing forest cover and land status. As such, the social forestry programme is seen as a key initiative to support the implementation of the various policies and regulations that the government has issued to improve community access rights to the forest estate, including under a community empowerment programme which consists of six complementary social forestry schemes, aiming at different types of forests, different types or organization of forest users, and for different uses:

1. Community forestry (*Hutan Kemasyarakatan* – HKM) provides community groups with access to production and protection forests that are not under license, and capacity building tools for sustainable forest management of timber and non-timber forest products, environmental services, medicinal plants, agrofishery, and agrosilvopastoral uses;
2. Village forestry (*Hutan Desa* – HD) provides villages with access to production and protection forests that are not under license, for uses similar to those of HKM above.
3. Community forest plantations (*Hutan Tanaman Rakyat* – HTR) provides individuals or cooperatives with access to production forests, managed to increase the quality and potency of forest products (timber and NTFPs). Under this scheme HTRs individuals may request up to 15 hectares and cooperatives up to 700 hectares.
4. Customary forests (*Hutan Adat* – HA) are managed by customary law communities (*masyarakat hukum adat*) legally recognized through regional regulation (*perda*), and can be located in production or protection forests or on private land (i.e. outside forest estate) for timber and NTFPs (using local customary practices) production or designating land for protection purpose. The formal inclusion of customary forests as part of the social forestry schemes is particularly significant, as it materializes the legal recognition of customary lands as part of Rights Forests (*Hutan Hak)*, thus separate from the Forest Area. This is a recognition of the Constitutional Court Decision No. 35 in 2012. HA is therefore, the most significant forest scheme as it recognizes customary territory and offers expansive rights over land and forest resources to Adat communities and represents land ownership.
5. Forestry partnerships (*Kemitraan Kehutanan* – Kemitraan) enable local communities, organized in community groups or cooperatives, to access production forest under concession and in specific area (wilayah tertentu) in cooperation with concession holders and forest management units (FMUs). Capacity strengthening is provided to produce timber and NTFPs, environment services, medicinal plants, silvofishery, agrosilvopasture, etc based on FMU management plans.
6. Forest Utilization Permit for Social Forestry (Izin Pemanfaatan Hutan Perhutanan Sosial – IPHPS) managed by farmer groups and cooperatives together with state-owned forestry companies on production and protection forests for timber and NTFPs production, and environmental services.

In the case of HKM, HD, and HTR, social forestry is formalized through permits providing usufruct and management rights, in the form of an agreement between the forest manager or the license holder (private or public forest entities) and communities in the case of kemitraan. For customary forests, lands are ceded to their customary owners, meaning that land is formally removed from the Forest Area.

Forest Management Units

In the objective to improve the status and sustainable management of open access forest areas, and curb illegal activities, Indonesia has also established Forest Management Units (*Kesatuan Pengelolaan Hutan*– KPH; FMU in English) in all provinces of the country. FMUs are the basis for governing and managing all forest areas and functions at the local level based on forest management plans, and in close consultation and collaboration with all stakeholders, including local government, community groups, local industries or license holders. FMUs are designed to be part of provincial government and to manage forests for their functional purpose (i.e. production, protection and conservation) while contributing to subnational development and community wellbeing. FMUs aim to (i) introduce locally based, professional and publicly accountable forest management organizations, responsive to the local context, (ii) ensure the legal demarcation of designated, permanent forest areas while managing potential conflicts and (iii) define territorial units appropriate for efficient management. As such they are expected to improve forest administration and use by aligning participatory forest land use planning with the subnational spatial plans, providing on-site management of forests, and being responsive to local needs, interests and claims.

The FMU has clear economic, social and ecological management objectives. Unless management has been handed over to private concession holders or local communities, FMUs are responsible to (i) create inventories of forest resources, (ii) develop and implement annual and long-term management plans (including fire prevention) in accordance with forest land status (i.e. conservation, protection &/or production forest), and (iii) ensure forest laws enforcement. Where management has been handed over to third parties (i.e. license holders), FMU monitor and evaluate them, and provide technical assistance and capacity building. FMUs can mobilize investments from various sources (i.e. government, private sector) to achieve the objectives of sustainable forest management and establish their own income by selling forest products or environmental services such as through ecotourism, and are encouraged to develop viable business plans based on the sustainable management of the forests they oversee. These annual and long-term management plans and related business plans are the basis to engage with the various stakeholders, including communities and the private sector. The range of activities will depend on the type of FMU and the various forest functions (e.g. ecotourism in conservation FMUs and sustainable exploitation of forest products in production FMUs). The roles and responsibilities of district, regional and central government are defined as follows:

- Central government: Determination of norms, standards, procedures and criteria for FMU establishment and determining the formation and implementation of Conservation FMUs (KPHK, which oversees National Parks) including area determination, zoning and management.
- Provincial government: Design and propose the establishment and zonation of Protection and Production FMUs including the technical and institutional set up if one FMU is located in more than one district.
- District government/city: Design and propose the establishment and zonation of Protection and Production FMUs including the technical and institutional set up if one FMU is located in one district

The **Medium-Term Development Plan (RPJM) for 2015-2019** aimed to complete 100% of forest demarcation, establish and make operational 629 FMUs, and foster social forestry partnerships across 12.7 million hectares (including customary holdings). Though the implementation of social forestry has been strongly accelerated, only 3.4 million hectares of forests had been distributed for social forestry by October 2019. And while 531 FMUs have been officially established nationwide 2018, covering a total area of about 83 million hectares (i.e. nearly the entirety of the forest estate), much remains to be done in terms of operationalizing these FMUs.
While these two programmes benefit from strong political support and very strong ownership from Ministry of Environment and Forestry, with of domestic allocation of resources, budgets are insufficient to achieve such extremely ambitious targets while ensuring the quality of the process and corresponding necessary support to decentralized entities and local communities.

Institutional models such as FMUs enable the development of effective collaborative partnerships with local stakeholders, including Adat (customary) communities, to sustainably manage the forests and address issues of access to and/or ownership of land and natural resources, addressed through social forestry. There are therefore powerful synergies to be made between the social forestry and FMU programmes.

Use of Proceeds

Based on elements provided above, the Government of Indonesia wishes to use the REDD+ results-based payments (RBPs) to:

1. **Continue updating, building and strengthening its REDD+ architecture**, as well as further strengthen government capacity to coordinate and implement REDD+ nationally.
2. **Further extend and enhance Social Forestry and Forest Management Units (FMU) operationalization**, as two ambitious and innovative priority programmes which contribute strongly to the double objective of sustainable forest management and rehabilitation, as well as community empowerment and poverty alleviation.

Concurrently, both social forestry and FMU are also part of the focus areas through which the moratorium seeks to improve forest governance, thereby contributing to addressing the rate of deforestation and forest degradation and meeting REDD+ objectives.

GCF Output	GCF Activities	Responsibility	Financing Modality
O1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture	1.1: Update and further develop the REDD+ architecture	• Executing Entity (i.e. Implementing Partner): Ministry of Finance • Co-Executing Entity:	Upfront financing
	1.2: Strengthen capacity for REDD+ implementation		
	1.3: Communication, knowledge management & adaptive management		
	2.1: Support the establishment and operationalization of Forest Management Units		

O2: Support to decentralized sustainable forest governance	(FMUs), as well as SFM investments inside & outside FMUs	Ministry of Environment and Forestry	Performance-based payments
	2.2: Expand and enhance the implementation of the Social Forestry programme		
Project Management	3.1: Project Management		Upfront financing

Table 5: Overall structure and operational modalities of the project

Output 1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture

This output aims to:

- Support the continuous updating and further development of the overall REDD+ architecture (Forest Reference Level, National Forest Monitoring System and MRV capacity, Safeguards Information System, etc);
- Strengthen the government capacity for REDD+ coordination and implementation at national and subnational levels

This output will use a conventional up-front financing modality.

Activity 1.1 Update and further develop the REDD+ architecture

As context change and capacity develops over time, the government of Indonesia is committed to continuously update and improve its REDD+ architecture and related reporting to the UNFCCC. This activity will be implemented in synergy with relevant existing or future projects, at national and subnational level.

This activity is foreseen to include:

- Update and improve the national FREL and allocate it to Provinces, and develop a web-based application system for FREL development and REDD+ Performance calculation at national and sub-national level
- Further improve the NFMS
- Develop and operationalize a spatial monitoring system for emissions from the land (SIMONELA)
- Improve and operationalize the National REDD+ reporting system linked to the SRN, and develop a subnational REDD+ reporting system (local to Provincial)
- Update the national REDD+ Implementation Strategy and contribute to updating or developing them at subnational level
- Improve and operationalize the SIS at national and subnational level
- Review, revise and/or strengthen REDD+ policies
- Develop Benefit sharing plans
- Contribute to reporting requirements under the UNFCCC (i.e. BUR, SOI, etc)

Activity 1.2 Strengthen capacity for REDD+ implementation

In parallel to the update and further development of the national architecture for REDD+, this project will support capacity strengthening for implementation of REDD+ at national, provincial and local level in key areas, in synergy with existing and future relevant initiatives. This aims to contribute to further deploy REDD+ nationally, further harness the REDD+ potential of relevant domestic and international initiatives to support additional REDD+ results for the next reporting period. As such it will support key acceleration actions for Output 2 activities, including to ensure safeguards requirements.

This activity is foreseen to include actions such as:

- Build government capacity on REDD+ at the provincial level;
- Enhance the policy and regulatory frameworks and associated guidelines for key policies and programmes contributing to REDD+ at national and subnational levels (in particular those related to the social forestry programme and forest managements units);
- Contribute to capacity BPDLH capacity strengthening in relation to REDD+ (including GCF accreditation for direct assess);
- Strengthen the capacity to monitor and coordinate REDD+ implementation at the national level;
- Support acceleration measures for the Social Forestry programme and FMUs and their link with REDD+ (training of field facilitators);
- Implementation of the Stakeholder Consultation Plan, the Gender Action Plan and the Environmental and Social Management Plan for the use of proceeds;

- Independent Assessor for Output 2.

Activity 1. 3 Communication, knowledge management & adaptive management

This activity aims to support adequate communication on the implementation of national-scale REDD+ under the UNFCCC, as well as knowledge management and adaptive management for the project as well as REDD+ implementation more generally in Indonesia:

- Communication strategy on the benefits from REDD+ under the UNFCCC
- Knowledge management
- Methodological framework for systematic analysis of the contribution from key policies and initiatives to REDD+ and Indonesia's NDC.

Output 2: Support to decentralized sustainable forest governance

This output aims to support the government of Indonesia in advancing its objectives of decentralized sustainable management of forests through the operationalization of Forest Management Units (FMUs), as well as in its complementary objective of devolving access to and management of forest land and resources to communities in adequate areas. This project will therefore support the implementation and further refinement of the Social Forestry and FMU programmes respectively, looking at opportunities for complementarity and synergies between them whenever possible. Indeed, social forestry licenses are granted within the boundaries of FMUs, typically as small "clusters" in much wider FMU areas (as these cover the overall forest estate), where communities are eligible and request a social forestry license. While FMUs do also collaborate and provide benefits with communities that are not eligible/granted social forestry licenses (i.e. developing community livelihoods plans and supporting their implementation), social forestry goes a step further in providing formalized and secured user &/or ownership rights. Among others, the FMU forest management plans, business plans and community development plans developed for the operationalization of the FMUs are an opportunity to identify where social forestry and what specific scheme may be relevant, support these communities in requesting and obtaining a social forestry license, as well as support the implementation of subsequent investments necessary to enable sustainable forest management and livelihoods. Rather than in isolation, these two programmes must be seen as synergetic, which also enable economies of scale.

This project will support (i) activities related to operationalization of FMUs and licensing of social forestry respectively, and (ii) actual investments supporting sustainable forest management and sustainable livelihoods, both within and outside FMUs. This activity will directly benefit from acceleration activities supported through Activity 1.2, including the guidance developed and enhanced regulatory framework at national and subnational level, as well as from the trained facilitators that will be deployed to support FMUs. This output will use a performance-based payments modality.

Activity 2.1: Support the establishment and operationalization of Forest Management Units (FMUs), as well as SFM investments inside & outside FMUs

While FMUs have been established under the Forestry Law No.41/1999 in all provinces of the country, covering nearly the entirety of the forest estate, much remains to be done in terms of operationalizing them. While different FMUs may be at different stages of maturity and with different needs, supporting their operationalization require a set of complementary interventions, likely to include supporting:

- An assessment of the FMU capacity and capacity building needs (incl. sustainable forestry management system – PHPL);
- Awareness raising, capacity building and technical assistance to the FMU staff, provincial and district authorities as well as local communities;
- The development of adequate administration, management and monitoring systems;
- The creation and/or strengthening (as relevant) of multi-stakeholder platforms to ensure participation in forest management planning processes and other relevant subnational land-use planning processes. This will build as much as possible on existing structures to avoid the fragmentation of support;
- The participatory development of long-term and annual sustainable forest management plans;
- The development of quality business plans aimed at ensuring the financial viability of the FMU over the long-term;
- The development of site design document and Water Utilization Area Maps, for FMU conservation areas;
- The participatory development of community sustainable development plans, supporting sustainable forest management;

In addition to supporting the operationalization of the FMUs, this project will also support actual investment in key areas, both inside and outside of the FMUs. When inside the FMUs, interventions will be guided as feasible on the various plans developed (Forest Management Plan, Business Plan and Community livelihood Plan), though some "no-regret" actions may also be implemented in parallel to ensure motivation and progress.

The main activities to be supported include:

- Fire prevention/management
- Reforestation
- Forest restoration/enhancement
- Community livelihood activities
- FMU business activities

Support to local communities may be implemented through the Social Forestry programme (Activity 2.2) when target areas coincide, or in an independent or complementary manner in cases where social forestry is not prioritized at the time on the FMU territory or does not cover the overall population in the FMU.

Activity 2.2 Expand and enhance implementation of the Social Forestry Programme

In moving forward with the social forestry programme, the Government of Indonesia's first priority is to continue to assist Adat and non-Adat communities, villages, individuals to obtain licenses available through the six different schemes of social forestry, thereby increasing the size of forests under this programme. As such, this output seeks to strengthen key stages of the process: application, planning, verification, implementation and monitoring, through approaches that integrate considerations for the roles and rights of men, women and youths in Adat and non-Adat communities, villages, cooperatives and other entities.

The second priority is to ensure permit or rights holders are able to improve their livelihoods through the implementation of various management or development plans and therefore contribute to addressing drivers of deforestation and barriers to carbon enhancement

The Ministry of Environment and Forestry introduced Social Forestry Acceleration Working Groups, comprising Ministry officers, NGOs, practitioners at national and provincial levels to support community engagement. To further support these working groups, multi-stakeholder platforms with balanced gender and social group representations, at relevant governance levels, will be established or strengthened to provide inputs on among others, socio-cultural, biophysical, economic contexts, as well as support socialization for the programme.

Support will also be extended to integrate into village and provincial development planning processes because these plans are key for the central government to allocate and distribute funds for development. In the case of the social forestry programme, these funds are needed to facilitate and support the application process, conduct verifications, prepare and implement work plans as well as monitor implementation. Therefore, additional support will be provided to develop the forest management plans, business and annual work plans for the various social forestry schemes. These plans will be further supported by developing and implementing community investments plans including for small and micro community enterprises.

As stated above, customary forests or Hutan Adat, is a means to recognize customary territory and accord land and forest resource rights to Adat communities. This output will support the development of district-level regulations to recognize customary forests, further complemented by establishing multi-stakeholder verification teams that consist of among others, Adat experts, NGOs including indigenous NGOs, and supported by Ministry of Environment and Forestry officials.

Activities 2.1 and 2.2 shall be implemented ensuring that measures identified in the consultation, ESMP & gender plans have been carried out adequately. They will also be through approaches that integrate considerations for the roles and rights of men, women and youths in Adat and non-Adat communities, villages, cooperatives and other entities.

Project Management (See section G for details). This output will use a conventional up-front financing modality based on cash advances.

C.2.2. Expected outputs and outcomes:

Please provide the following information:

Component(s)	Outputs	Outcomes
Supporting decentralized sustainable forest governance and REDD+ implementation capacity in Indonesia	• Output 1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture • Output 2: Support to decentralized sustainable forest governance • Project Management	**M5.0 Strengthened institutional and regulatory systems for low emission planning and development** 5.1 Institutional and regulatory systems that improve incentives for low-emission planning and development and their effective implementation 5.2 Number of effective coordination mechanisms **M9.0 Improved management of land and forests** 9.1 Hectares of land or forests under improved and effective management that contribute to CO2 emission reductions

C.2.3. Timeframe of implementation (for monitoring and reporting purposes):

Please provide the following information:

Outputs	Expected year to be achieved
Output 1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture	Year 4
Output 2: Support to decentralized sustainable forest governance	Year 4
Project Management	Year 4

If needed, provide any additional comments/explanations:
These activities will be implemented over a four-year period.

C.2.4. Budget estimate (for monitoring and reporting purposes):

Following the procedures of the Terms of Reference for the REDD+ pilot programme for Results-Based payments, the iTAP recommended that the Board consider the following:
(a) Total score achieved **36/48**
(b) GCF volume of ERs: **20,250,000 tCO2eq;** and
(c) Additional 2.5 per cent for use of proceeds and non-carbon elements
(d) Proposed REDD-plus results-based payments (USD 5/tCO_2eq): **USD 103,781,250**
Based on this, the budget for the proposal was finalized as described below.

Output	Indicative cost (USD)	GCF proceeds	Co-financing (if any)	
		Amount	Amount	Source
Output 1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture	9.40 million	9.40 million	0	-
Output 2: Support to decentralized sustainable forest governance	93.40 million	93.40 million	0	-
Project Management	0.98 million	0.98 million	0	-
Indicative total cost and currency (USD or EUR)	103.78 million	103.78 million	0	

Table 6. Budget at Output level

GCF Output		GCF Activities	Indicative GCF amount (USD)
O1: Strengthening REDD+ coordination and implementation and overall REDD+ architecture	1.1	Update and further develop the architecture for REDD+	2,059,380
	1.2	Strengthen capacity for REDD+ implementation	6,626,637
	1.3	Communication, knowledge management & adaptive management	715,108
		Indicative total Output 1	***9,401,125***
O2: Support to decentralized sustainable forest governance	2.1	Support the establishment and operationalization of Forest Management Units (FMUs), as well as SFM investments inside & outside FMUs	46,701,563
	2.2	Expand and enhance implementation of the Social Forestry programme	46,701,562
		Indicative total Output 2	***93,403,125***
Project Management	3.1	Project management	977,000
		Indicative total PMC	***977,000***
Indicative total project budget			**103,781,250**

Table 7. Budget at Activity level[14]

C.2.5. Implementation arrangements:

List and describe the institutions involved in the activities that will be funded with proceeds from this pilot programme, and explain their anticipated roles and interactions with one another, including the flow of funds.

The Government of Indonesia has requested UNDP's assistance for the design and implementation of this Project based on UNDP's comparative advantage, which include vast experience in supporting the Government in project implementation, its in-country presence, its large portfolio of biodiversity, climate change and REDD+ projects nationally and globally, its success in mobilizing resources, and its role as GCF Accredited Entity (AE).

The project will be implemented following UNDP's **national implementation modality (NIM)**, in accordance with UNDP Rules & Regulations and the Country Programme[15]. The Country Office will provide support services to the national implementation, as required by the financing modalities followed (cf. Financing modality sub-section below). The project will be implemented over a period of 4 years, starting when GCF funds are disbursed to UNDP Indonesia. The implementation modality may be adjusted during implementation if and when needed, upon approval by Ministry of Finance and UNDP.

The Executing Entity (i.e. Implementing Partner in UNDP terminology) for the project is the Ministry of Finance.
The Ministry of Environment and Forestry will be a Co-Executing Entity.

The implementation of this project will be closely coordinated with other relevant projects and initiatives supporting the national and subnational REDD+ processes, as well as those supporting the Forest Management Unit and Social Forestry programmes. This will be ensured directly by the various General Directorates of the Ministry of Environment and Forestry, mandated to oversee these thematic areas, as well as through the Technical Committees (cf. below)

REDD+ is coordinated by the REDD+ sub-Directorate under the Directorate General of Climate Change.

Executing Entity (i.e. Implementing Partner)
The **Ministry of Finance** will be the Executing Entity (i.e. Implementing Partner).
The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of GCF resources. The Ministry of Finance will also be responsible at the highest level for ensuring that project implementation follows the national policies and standards. The Implementing Partner is responsible for:

- Approving and signing the multiyear workplan,
- Approving and signing the combined delivery report at the end of every quarter; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

[14] Total Direct Project Costs of USD 586,552 are distributed between Project Management, of which USD 97,914 is administrative costs, and Output 1, of which USD 488,638 is for technical support.
[15] https://undocs.org/DP/DCP/IDN/3

BPDLH, under the Ministry of Finance, will be responsible and accountable for the day-to-day implementation. BPDLH is an official entity, fully recognized by the Ministry of Finance: its establishment is enacted through Decree of the Minister of Finance No. 779/KMK.O5/2019; its organization and work procedures are introduced in Regulation of Minister of Finance No. 137/PMK.01/2019. Capacity assessment of BPDLH is completed with moderate risk rating.

The HACT Framework is part of UNDP's normal risk-based management approach as per internal policies and procedures. The common objective of the HACT framework is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability. It serves as a set of procedures on requesting, disbursing, providing assurance and reporting on funds to effectively manage risks, reduce transaction costs and promote sustainable development in a coordinated manner. As such, UNDP will apply an integrated suite of assurance measures associated with the "moderate" risk level assigned to BPDLH. These activities include:

- Spot checks, which will be conducted at least twice per year instead of at least once for a "Low" risk level; these spot checks are also an opportunity to revise the risk level (upward or downward depending on the findings);
- Internal control audits, which should be conducted in the second and fourth year of the programme cycle, instead of in the third or fourth year for a "Low" risk level.

In addition to the above, UNDP intends to provide certain execution support services to BPDLH, which will be set out in a country office support arrangement and for which specific provision has been made in the project budget. This execution support (which is to be considered as separate from UNDP's oversight function in its capacity of Accredited Entity under the terms of the AMA/FAA), will be coordinated and agreed with Ministry of Finance, and aims to ensure adequate support, particularly in the first year of the project (i.e. year 2 of BPDLH). UNDP is also working with BPDLH in synergy with other partners to address the recommendations in the HACT assessment. UNDP expects that all appropriate recommendations and assurance measures identified during the risk-based HACT assessment will be implemented, in accordance with UNDP requirements, prior to the start of the Funded Activities.

Co- Executing Entity
MOEF will be a Co-Executing Entity. No other Co-Executing Entity is envisaged at this stage.

The implementing partner may enter into agreements with other organizations or entities, known as "Responsible Parties", which may carry out project activities and produce project outputs on behalf of the Implementing Partner. Responsible Parties are accountable directly to the Implementing Partner.

Appropriate responsible parties may be selected as per UNDP rules and regulations, which include performing a capacity assessment using the Harmonized Approach to Cash Transfers (HACT) framework and following UNDP HACT policies, to determine the level or risk and capacities to manage the funds of the project. Parties concerned with project formulation and design must review needed capacities. They first determine which tasks apply to the project. For each applicable task, the parties define any additional measures to ensure that tasks can be performed. The measures must be documented for follow-up action. This may be done, for example, through an action plan, an annex to the project document or through minutes of a design meeting or workshop. MOEF has already undergone a satisfactory HACT micro-assessment, still valid, resulting in a "low risk" categorization with no gap identified.

Additionally, UNDP assures that its partners are screened against UN Sanctions and Eligibility through a UN Security Council online system that contains a wide data base of possible violators. In addition, UNDP has access to the United Nations Global Marketplace in order to verify if any supplier has been involved in terrorism and corruption. Moreover, UNDP has a policy on Due Diligence and Partnerships with Private Sectors in which a Risk Assessment Tool is applied before any agreement is made. This tool includes the following exclusionary criteria:

- Controversial weapons or their components;
- Armaments and/or weapons or their components, including military supplies;
- Replica weapons;
- Tobacco or tobacco products;
- Violations of UN sanctions, UN ineligibility lists or UNDP vendor sanctions list;
- Pornography;
- Substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES;
- Gambling (excluding lotteries with charitable objectives);

- Violation of human rights or complicity in human rights violations;
- Forced or compulsory labor;
- Child labor.

Management of the project
Three levels of management will be set:

- **Decision making,** which includes: a) Project Board in charge of strategic decision making; b) Monitoring and Quality Assurance Unit of UNDP that will supervise the activities in its role as Accredited Entity to the Fund. In line with UNDP Internal Control Framework (ICF) there will be a clear division between UNDP´s oversight function as GCF AE and its role in supporting implementation; and, c) National Project Director that will ensure coherence of the interventions, the achievement of expected results, the management of risks, and the progress of the planning and procurement processes.
- **Technical committee**, providing technical support to the Project Board, Management Committee, and the Project Management Unit to facilitate informed decision making, as well as help coordinate with external initiatives.
- **Project Management and Implementation,** which includes the Project Management Unit (PMU), the Project Manager, the Support Unit for administrative and financial issues and technical team. Multi-stakeholder

The project organization structure is as follows:

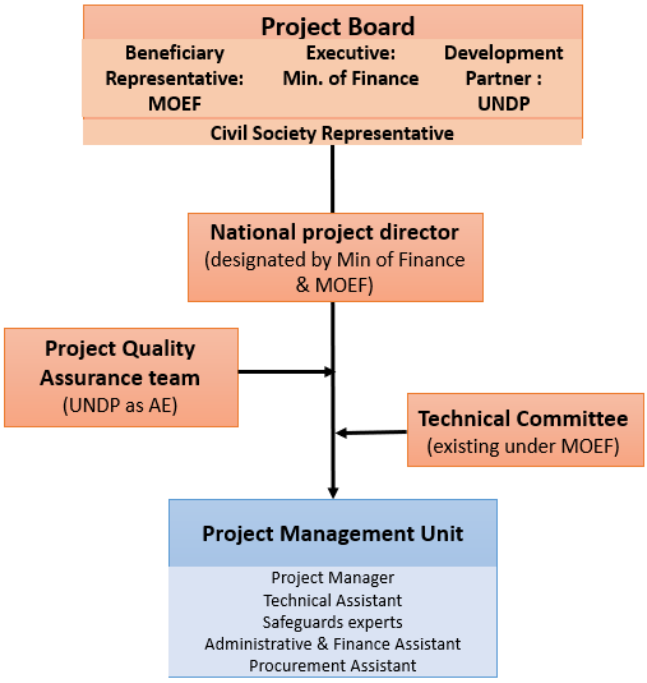


Figure 6: Project organization structure

Project Board (PB):
The Project Board (PB) is responsible for management decisions when guidance is required by the Project Manager, including recommendations for approval of project plans and revisions, and addressing any project level grievances. Project Board decisions should be made, by consensus, in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the PB, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager and/or the management committee;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Ensure transparency, accountability, and meaningful and effective multi-stakeholder engagement throughout the entire project; and
- Assess and decide to proceed on project changes through appropriate revisions.

The PB will provide overall managerial guidance for project execution. It will: (i) Analyze and discuss the development of the Project activities and recommend changes as required based on project monitoring and evaluation processes and products and in line with UNDP policies; (ii) Discuss and approve the Annual Work Plans ensuring that required resources are committed; (iii) Discuss and approve the Progress Reports and Final Report of the Project; (iv) Analyze Project achievements and assure these are used for performance improvement, accountability and learning; and (v) Settle controversies arbitrating on any conflicts within the project or negotiating a solution to any problems with external bodies.

The PB will be composed of UNDP, the Ministry of Finance, MOEF as well as a civil society representative.

As Executing Entity (Implementing Partner), the Ministry of Finance will represent the project ownership, chairing the PB and organizing its meetings at least twice a year or upon request of either of the Parties. The Ministry of Finance will appoint a **National Project Director (NPD)** who will be a senior staff member and will be responsible at the highest level for providing guidance on the management and technical feasibility of the project and ensuring its implementation leads to the achievement of project's results. The Project Board's role in project management will be complemented by inputs and recommendations from the Technical Committee (see below). In addition, the PB will approve the appointment and responsibilities of a Project Manager who will be responsible for the daily project execution.

The **composition of the Project Board** must include the following roles:

1) Executive: The Executive is an individual who represents ownership of the project and who will chair the Project Board. **The Executive shall be appointed by the Ministry of Finance**. It may be the NPD or another more senior staff member of the Ministry of Finance. The Executive is ultimately responsible for the project, supported by the Beneficiary Representative and Development Partner. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The executive has to ensure that the project gives value for money, ensuring cost-conscious approach to the project, balancing the demands of beneficiary and suppler.
Specific Responsibilities of the Executive as part of the above responsibilities for the Project Board include:

- Ensure that there is a coherent project organization, structure, and logical set of plans;
- Set tolerances in the AWP and other plans as required for the Project Manager;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organise and chair Project Board meetings.

2) Beneficiary Representative: The Beneficiary Representative's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. **The Beneficiary Representative will be appointed by the Ministry of Environment and Forestry**. The Beneficiary Representative is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Beneficiary Representative monitors progress against targets and quality criteria.

Specific responsibilities of the Beneficiary Representative as part of the above responsibilities for the Project Board include:

- Prioritize and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes;

- Specification of the Beneficiary's needs is accurate, complete and unambiguous;
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target;
- Impact of potential changes is evaluated from the beneficiary point of view;
- Risks to the beneficiaries are frequently monitored.

3) Development Partner: The Development Partner is an individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Development Partner's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Development Partner role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. **The Development Partner is UNDP**.

Specific responsibilities for the Development Partner as part of the above responsibilities for the Project Board include:

- Make sure that progress towards the outputs remains consistent from the supplier perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management;
- Ensure that the supplier resources required for the project are made available;
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

The PB will be established upon project inception and the responsibilities assigned above may be supplemented as deemed appropriate in the final governance structure. In its first meeting the Project Board will prepare and adopt detailed terms of reference for its functioning.

4) Representative from the stakeholders: In addition to the three mandatory roles above, a Project Board may include a representative of the main stakeholders. Considering the important focus of the project on local communities and indigenous people in order to ensure social as well as climate and environmental benefits, the Project Board will include a representative from the civil society, with knowledge and practical experience on social forestry and forest management units. Please refer to Annex VI a on the ESMF for details of this process.

Project Assurance

UNDP provides a three-tier oversight and quality assurance role involving UNDP staff in Country Offices and at regional and headquarters levels. The quality assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance must be independent of the Project Management function; the Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. The project assurance role is covered by the accredited entity fee provided by the GCF. As an Accredited Entity to the GCF, UNDP is required to deliver GCF-specific oversight and quality assurance services including: (i) Day-to-day oversight supervision, (ii) Oversight of project completion, (iii) Oversight of project reporting.

National Project Director (NPD):

The Project National Director (NPD) will be a senior staff member of the Ministry of Finance and will be responsible at the highest level for providing guidance on the management and technical feasibility of the project and ensuring its implementation leads to the achievement of project's results. The NPD will be responsible for orienting and advising the Project Manager on Government policy and priorities. The NPD will be supported by the Technical Committees and, will review coherence of the intervention, including results, risks, planning and procurement processes. The NPD will sign and approve procurement of services and goods corresponding to the project and will delegate to the Project Manager the approval and signature of procurement and hiring requests and payments. The Combined Delivery Report (CDR) will be approved on a quarterly basis and signed by the NPD.

Technical Committee:

A Technical Committee already exists under MOEF. Meetings will be arranged when there is a need of technical inputs and coordination with the project´s components and other initiatives related to REDD+ or other thematic areas relevant to this project. The aim is to provide technical support to the Project Board, Project National Director, Project Technical Experts and Project Manager for decision making.

The Technical Committee, chaired by MOEF (authority level), will include relevant partners, technical experts and other stakeholders such as CSOs, academia, indigenous, local community and women groups, private sector and other partners. In particular, key partners supporting projects and initiatives related to the national and subnational REDD+ processes, as well as those supporting the Forest Management Unit and Social Forestry programmes, will be invited to participate, to ensure adequate coordination as well as knowledge exchange on challenges and best practices.

The Committee will meet regularly to review progress and obstacles and to advise on strategic and critical Project issues. Matters of institutional concern (i.e. going beyond the Project's scope and contents) will be addressed at the appropriate levels of dialogue between UNDP and the Government of Indonesia. The Project Technical Experts will serve as Secretariats of the Committee. The NPD will instruct the Project Technical Experts to provide detailed project information to the Committee as needed, to convene meetings and to prepare AC minutes. Extraordinary meetings can be held if deemed necessary by one of the Committee members. If appropriate, the Committee can invite external consultants to assist in the monitoring process.

The Project Management Unit (PMU)

The Project Management Unit (PMU), under supervision of UNDP and Ministry of Finance, will run the project on a day-to-day basis within the constraints laid down by the Project Board. The PMU will be coordinated by a Project Manager.

The **Project Manager** function will end once the project is operationally closed, which is decided by the Project Board, and all commitment have been fulfilled, such as completion and submission of the final report and project closure process and any other documentation required by the GCF and UNDP.

The Project Manager is responsible for day-to-day management and decision-making for the project within the Annual Work Plan approved by the Project Board and reviewed by UNDP. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The annual work plan is prepared by the Project Manager and reviewed and approved by Project Board. However, the UNDP-Global Environmental Finance Unit, as part of its quality assurance role, provides the final approval. The Project Manager is also responsible for managing and monitoring the project risks initially identified, and for submitting new risks to the Project Board for consideration and decision on possible actions if required, and for updating the status of these risks by maintaining the project risks log according to the NIM Guidelines.
Specific responsibilities of the Project Manager include:

- Provide direction and guidance to project team(s)/ responsible party (ies), and supervise project staff;
- Liaise with the Project Board to assure the overall direction and integrity of the project;
- Be the main project contact person for external communications;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Plan the activities of the project and monitor progress against the project results framework and the approved annual workplan;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities,
- including drafting terms of reference and work specifications, and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments or reimbursement using the fund authorization and certificate of expenditures;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Provide for completion, implementation and revision, as necessary, of the ESMF (the ESMP and corresponding management plans).
- Manage and monitor the project risks initially identified and submit new risks to the project board for
- consideration and decision on possible actions if required; update the status of these risks by
- maintaining the project risks log;
- Capture lessons learned during project implementation;
- Prepare the annual workplan for the following year; and update the Atlas Project Management module if external access is made available.
- Prepare the Annual Project Report and submit the final report to the Project Board;
- Prepare progress reports as requested by Ministry of Finance, UNDP and/or the Donor, and ensure conditions defined by GCF for disbursements are met;

- Based on the Annual Project Report and the Project Board review, prepare the AWP for the following year.
- Ensure the interim evaluation process is undertaken as per the UNDP guidance, and submit the final interim evaluation report to the Project Board.
- Identify follow-on actions and submit them for consideration to the Project Board;
- Ensure the terminal evaluation process is undertaken as per the UNDP guidance, and submit the final TE report to the Project Board;
- Ensure implementation of actions under his/her responsibility are articulated with other relevant projects and initiatives.

The Assistants in the fields of administration, finance, logistics and procurement will report to the Project Manager and provide support in management and administration of the project, as well as provide logistical support to technical components of the project and its team.

The PMU will also count with **Project Technical Experts** for specific project components who will support the Project Manager with the implementation of the project, providing technical expertise, reviewing and preparing TORs, and reviewing the outputs of consultants and other sub-contractors. The Project Technical Experts will:

- Ensure the logistical, administrative and financial effectiveness of the project in each technical area.
- Prepare project reports, work plans, budgets and related documentation;
- Prepare drafts of TORs, technical specifications and other documents;
- Participate in the selection of consultants and suppliers and their supervision;
- Oversee the implementation of project activities in a timely and efficient manner;
- Provide substantive guidelines to organize seminars, workshops and field trips linked to project activities.
- Follow-up agreements under his/her responsibility.

The Project Technical Experts will produce in a timely fashion inputs for annual work plans and budgets of their components, to be consolidated by the Project Manager and then presented for approval by the Project Board, and annual progress reports for submission to the Board. The reports will provide details about the progress made, any shortcomings and the necessary adjustments made to achieve project outcomes.

The PMU is designed to support Outputs 1 and 3, which use a conventional upfront financing modality (i.e. cash advances). As Output 2 will use the performance-based payments modality, whereby (i) the government pre-finances and implements activities using its own staff and processes, while (ii) UNDP as AE will transfer funds annually based on actual results reported and verified by an Independent Assessor (including safeguards), the design of the PMU does not need to take Output 2 activities into account.

Upon request by the Ministry of Finance, UNDP will provide technical backstopping during the implementation of the project. The costs corresponding to this technical support towards project execution will be recovered following UNDP's policy.

National leadership

The Ministry of Finance will provide the space and facilities for the Project staff, with the PMU located within the newly established **Environmental Fund Management Agency (BPDLH)**, under **DG Treasury**.

This is indeed particularly strategic for coordination and integration as they are foreseen to play a key role in supporting REDD+ nationally, and in further mainstreaming and strengthening REDD+ within Indonesia public institutions and processes.

BPDLH has been recently established formally following a very comprehensive preparatory process over several years. BPDLH has the status of a Full Public Service Agency (*Badan Layanan Umum* – BLU). BLU status enables government public service units to provide their product and/or services for non-profit purposes with an autonomous financial administration capacity, as well as to recruit staff outside *public servants.* BPDLH includes several funding windows (and sub-windows), one of which for climate change under which REDD+ funds will be managed, with the objective to be the central financing instrument for REDD+ (and environment) in Indonesia for both international and domestic finance. This will enable a much more coordinated and synergetic implementation of environmental actions. At the same time, it will enable the government of Indonesia to enhance its accountability towards its constituencies as well as towards contributing donors.

As such, BPDLH is a key instrument to ensure national leadership in the coordination of climate finance and climate action for the implementation of the NDC. For this reason, **the project aims to support further capacitation of the Fund on REDD+ and to contribute to the process of its accreditation to the GCF for**

"direct access". Key institutional bodies of BPDLH include (i) a Steering Committee, (ii) a Custodian BANK ("trustee"), (iii) BPDLH Secretariat (Fund manager), along with the various (iv) Line Ministries responsible for executing &/or supervising the recipients of funds technically and financially, and reporting to BPDLH. These various bodies and BPDLH team will closely follow and contribute to the progress of the project.

Also, as BPDLH Steering Committee includes the various ministries directly involved in the implementation of the funds secured by BPDLH, it will be a key body for cross-sectorial coordination for REDD+ in general and this project in particular. Ministries represented may include more specifically: MOEF, Coordinating Ministry for Economic Affairs, Ministry of Agriculture, Ministry of Home Affairs, Ministry of National Development Planning, Ministry of Energy and Mineral Resources, Ministry of Transportation, Ministry of Industry and Ministry of Marine and Fisheries.

Property of Equipment and Goods:
Goods and equipment purchased as part of this project will initially belong to the UNDP Country Office. During the implementation phase, transfer to national beneficiaries will be undertaken in accordance with UNDP procedures and policies, subject to prior agreement with the Ministry of Finance. The goods and equipment will be transferred with a *delivery-reception minute*.

Audit:
Financial reporting and auditing standards for the programme will follow international financial reporting and auditing standards. According to UNDP's general corporate audit regulations, internal and external audits will be carried out and these costs will be covered by the project. The audit will be performed in accordance to UNDP Financial Rules and Regulations and applicable audit policies on National Implementation Modalities (NIM) implemented project on UNDP and GCF projects. UNDP will be responsible for making audit arrangements for the project in communication with the Ministry of Finance. UNDP and the Ministry of Finance will provide audit management responses and the Project Manager and project support team will address audit recommendations, as applicable.

Learning and knowledge-sharing:
Results from the project will be disseminated within and beyond the project intervention zone through existing information-sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyse and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will also be a two-way flow of information between this project and other projects/programmes of a similar focus.

Communications and Visibility Requirements:
The project will comply with UNDP's, the Ministry of Finance and GCF Branding Guidelines. Amongst other requirements, these guidelines describe when and how the UNDP and the logos of donors to UNDP projects are used. In order to accord proper acknowledgement to the GCF for providing funding, a GCF logo will appear on all relevant project publications, including, among others, project hardware and equipment purchased with GCF funds. Any citation on publications stemming from the project will also accord proper acknowledgment to the GCF.

Financing modalities
Outputs 1 (enabling environment) and 3 (project management) will use a conventional National Implementation Modality (NIM), ensuring timely implementation of the activities for Indonesia to enhance its overall architecture and capacity for overall REDD+ implementation, as well as to ensure high quality project management and implementation for the project.

For Output 2 (FMU and Social Forestry programmes), the Government of Indonesia and UNDP opted for the use of UNDP's "Performance-Based Payments" (PBP) financing modality.

The choice of this PBP modality is by the following objectives:

- **Ensure country leadership** by providing more flexibility to the Government of Indonesia in the way it provides the desired results;
- **Ensure cost-efficiency** by making optimal use of existing government structures, avoiding or keeping the duplications of structures and functions to the minimum, while ensuring that UNDP can fulfill its role of Accredited Entity adequately, in line with GCF and UNDP standards (incl. safeguards and gender);
- **Enable faster disbursements** from UNDP to the Indonesia than a conventional upfront payment modality would allow, depending on the government's capacity to provide the agreed results, verified

through an Independent Assessor, without compromising the quality of implementation (incl. safeguards) and the intended use of proceeds.

"**Performance-based payments (PBPs)** are "*a type of agreement between UNDP and a [development partner] to provide funding upon the verified achievement of an agreed measurable development result. No advances are provided, rather payments are made only upon the verified achievement of agreed results. This approach gives greater incentive to responsible parties to achieve results*" (UNDP Programme and Operations Policies and Procedures - POPP).

In this modality, as payments are made only on delivery of verified results, "*the [development partner] is fully responsible for the achievement of the result(s), and free to use its own approaches, methods, capacities and resources within the parameters stipulated in the project document and performance-based payment agreement. Upon achievement of the result(s), the development partner submits substantive and other reporting required in the agreement to trigger payments".* (UNDP POPP).

This modality requires support services to the NIM modality, as UNDP has to sign and manage the performance-based payments agreement and the various tasks attached to it. The UNDP Policy on the PBP modality as well as template of the PBP Agreement are publicly available in full in UNDP's POPP, through the weblinks provided in this footnote[16]

The overall process and requirements for this PBP modality are as follow:

- Government & UNDP agree on the performance criteria and indicators, targets and price(s) per unit of result;
- Government & UNDP agree on an independent assessor, who reviews elements from step 1 and defines a validation methodology;
- A project appraisal committee or project board reviews and approves elements defined in step 1 & 2;
- A Project document is signed, as well as the Performance-based payment Agreement;
- Disbursements are made from UNDP to – in this case – the Executing Entity (i.e. implementing partner), based on the achievement of one or more outcomes verified by the independent assessor (including safeguards).

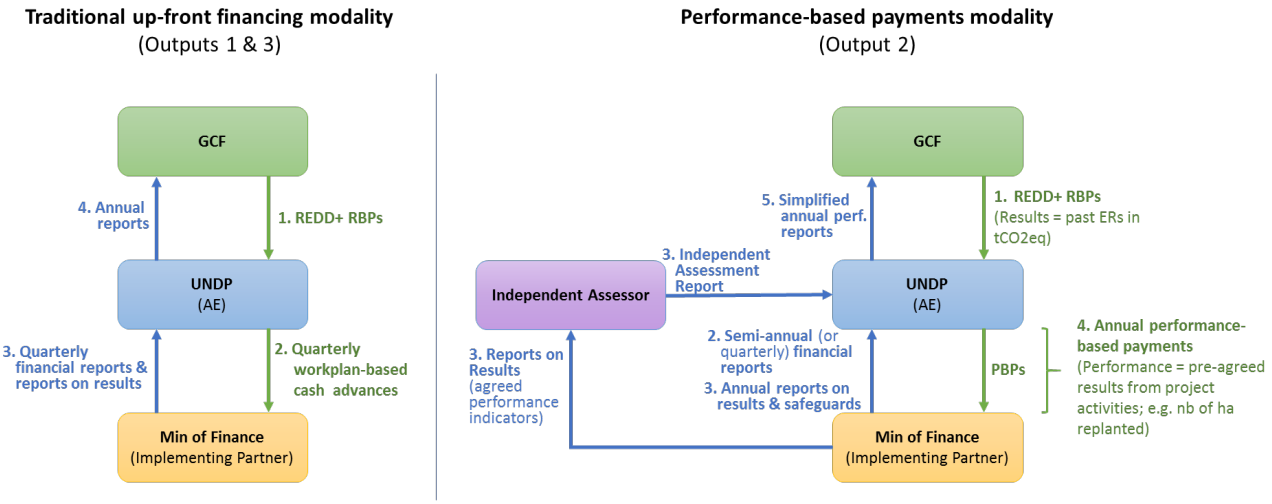


Figure 7: Financing modalities used in the project

[16] The full UNDP policy for Performance-Based Payments and template for the PBP Agreement are publicly available through the following weblinks: https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Design_Performance-Based%20Payments.docx&action=default and https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Design_Performance%20Based%20Payment%20Agreement%20_Final%20for%20Oct%20OPG.docx&action=default&DefaultItemOpen=1

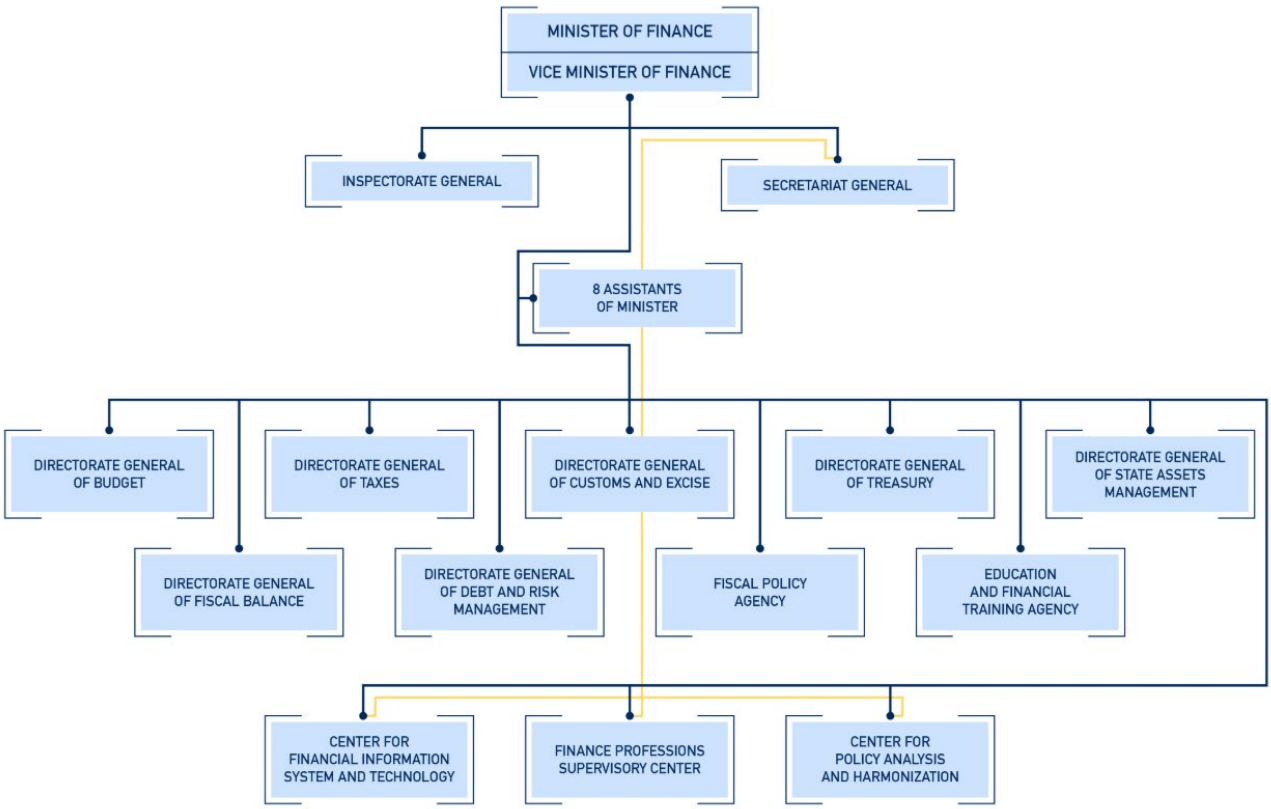


Figure 8: Organizational structure of the Ministry of Finance

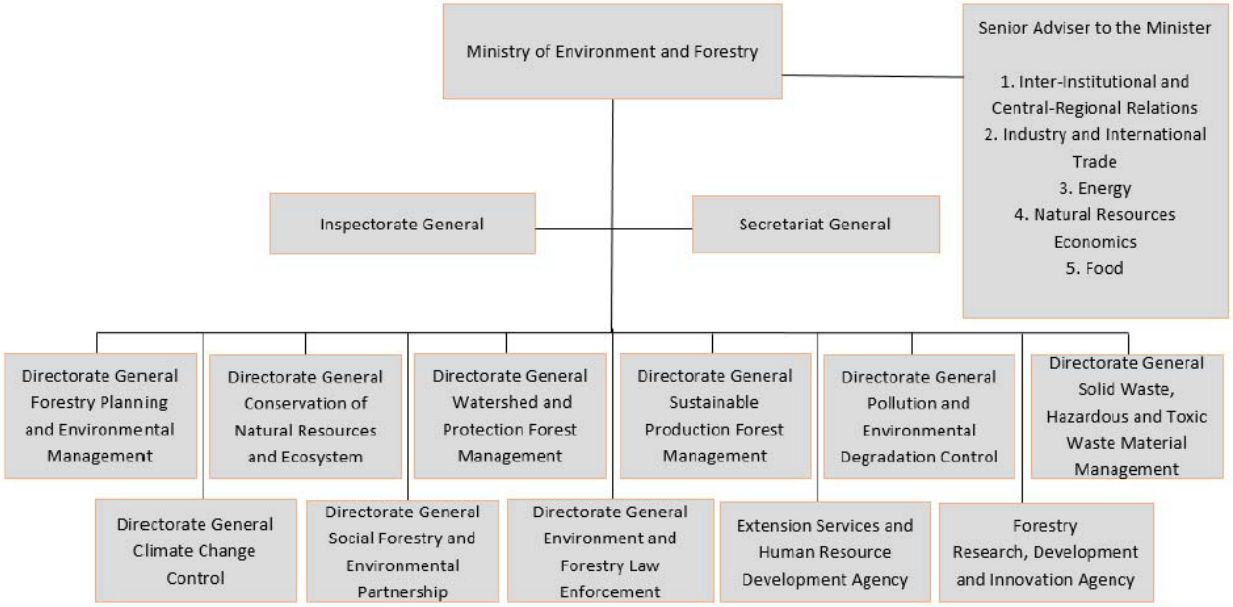


Figure 9: Organizational Structure of the Ministry of Environment and Forestry

C.2.6. Non-carbon benefits:

Provide information on the non-carbon benefits associated with the implementation of REDD+ activities, explaining their nature, scale and importance for the long-term sustainability of REDD-plus activities and providing evidence to this regard.

The non-carbon benefits associated with the implementation of REDD+ activities in Indonesia varies across communities and is important for the long-term sustainability of REDD+ activities. The country's rehabilitation plans for land and forest plans, have the potential to increase forest carbon stock and biodiversity, support local

livelihood, and mitigate natural disasters like floods and landslides while the Social Forestry programme has important implications for community engagements and involvement in protecting the REDD+ investments.

With the project investing in social forestry and establishing and renewing commitment to Forest Management Units (FMUs), it will directly lead to improved forest management and provide landscape-platform that allows conservation, rehabilitation and economic and sociocultural activities that can be complementarily implemented in addressing ecological problems, as well as socioeconomic and tenurial conflicts under an integrated management. With social forestry, access to land leads to increase in income of households and contribute to poverty alleviation.

Studies have suggested that achieving low-carbon economic development in Indonesia may have important co-benefits. For example, Social Forestry Programme can provide livelihood to millions of community members living around forests (New Climate Economy 2014).

The non-carbon benefits associated with the implementation of REDD+ activities can be grouped into environmental benefits: hydro-regulation and biodiversity; social benefits: poverty alleviation, gender empowerment and the promotion of human rights. The main non carbon benefits are presented below, and more details can be found in the Annex XIII (h).

Hydro-regulation: The nature and value of regulating services provided by forests are dependent on the characteristics of the region with respect to the type of forest, forest area, local geographic, climatic and socioeconomic profile etc. Typical values include three regulating services, that is, soil erosion, carbon sequestration and storage and water augment. United Nations Office for REDD Coordination in Indonesia (UNORCID); United Nations Environment Programme (2015) showed that forestry regulating services are vital for the socio-economic well-being of many of Indonesia's provinces. For example, in Central Sulawesi, the forest ecosystem valuation study shows that one hectare of forest prevents soil erosion equivalent to 6,538 kg/ha/year, which, also considering soil nutrient loss due to surface run-off, translates to an avoided cost of approximately USD 30 per hectare of forest in a year. This 'avoided cost' provides a significant argument in favor of increasing investments in forest protection, as failing to do so will diminish soil quality and considerably reduce agricultural yields.

Biodiversity: Indonesia's forests indeed provide considerable economic, social, and environmental benefits for the people of Indonesia (Ministry of Forestry, 2009). Biodiversity plays a huge role in food security, human health and livelihoods, providing clean water, timber, medicinal plants and other important services. Biodiversity also enhances community resilience to climate change impacts and contributes to carbon sequestration and climate change mitigation. The project activities will directly support biodiversity conservation through improved sustainable forest management, including – but not restricted to – protected areas (i.e. Conservation FMUs).

Species diversity has been reported in the 4th National Biodiversity Report, especially the number of plant species that positions Indonesia in the world big five. Of this species, 55% are endemic plants. In the diversity of fauna, about 12% of the world mammals (515 species) occur in Indonesia. Recent status of Indonesia biodiversity (LIPI, 2014) showed that the number of documented species diversity consisted of 1,500 species of algae, sporophytic plant such as 80,000 species of fungi, 595 species lichen, 2,197 species fern, and spermatophytes plant 30,000 – 40,000 species. These numbers contribute to 15.5% of total world flora, meanwhile fauna consists of 8157 species of vertebrates; mammal, bird, reptile and amphibian and fish; and invertebrates, 1900 species of butterflies that contributes to 10 % of the world species.

Social benefits - Integrating Sustainable Development (Co-benefits)
To effectively address the underlying causes of the drivers of deforestation, this project will contribute to a broader sustainable development agenda. Output 2 of the project with the implementation of decentralized sustainable forest governance with operationalization of Forest Management Units and implementation of Social Forestry Programmes will have benefits beyond reducing emissions from deforestation and forest degradation. It is estimated that around 200,000 households will benefit from the project's support to the Social Forestry Programme.

Across Indonesia, more than 74 percent of the poor depend on ecosystem services for their basic livelihoods. Depletion of these services would thus, have dramatic effects on the livelihoods of the poor, whilst widening the national inequality gap. For instance, in East Nusa Tenggara, bearing in mind that 80 percent of the population is involved in the agricultural sector, a continued degradation of forests will deplete key regulating services for agriculture, which could particularly affect the rural poor within this province and reduce their resilience to any unexpected climate change impacts.

Poverty Alleviation

According to the World Bank, out of a population of around 264 million, about 25.9 million Indonesians still live below the poverty line. Based on March 2018 data, approximately 20.19% of the entire population remains vulnerable of falling into poverty, as their income hovers marginally above the national poverty line. Effective management of forest relies on communities and households to use the forest efficiently given the reliance on forests for livelihoods, nutrition and food security. Understanding the co-benefits provides incentives to communities to manage the forests better. Against this setting, social forestry or community-based forestry has become an important feature of forest management in the region.

To alleviate poverty in Indonesia, Government of Indonesia committed to increase areas managed by communities from only 1% of the total forest in Indonesia as at 2016 to 12.7 million ha (30%). Between 2016 and 2018, 1.25 million hectares of land has been allocated to communities to involve in forest management and recognized in economic cycle of Indonesia. The increase in income expected from this project will be about $1.48 million benefit per annum.

Gender empowerment: Due to insecure rights to land, forest and tree resources, discrimination and a bias towards providing services to males rather than females (Gurung and Quesada 2009, Bandiaky-Badji and Tiani 2010, Mwangi et al. 2011) REDD+ may undermine women's capacity to adapt to climate change (The World Bank et al. 2009, Demetriades and Esplen 2010).

Indonesia has adopted a variety of policy tools to mainstream gender issues into broader policy considerations. For example, Presidential Instructions No 9/2000 and No 3/2010 promote gender mainstreaming and inclusive development. Other legislative and policy measures include the National Machinery for the Advancement of Women (Presidential Decree of 1978), the National Action Plan for the Elimination of Violence against Women and Law No 12/2003 under which each political party should consider appointing 30% of female candidates in general elections. Pursuant to the 1960 Basic Agrarian law No 5, women may own land and have access to loans. The National Development Plan (2005-2025), furthermore, identifies gender mainstreaming as a target. However, legislative efforts are often confronted with local practices and are in contradiction with the other two sources of law in Indonesia, customary law and religious law which may sometimes detrimentally affect women.

The project includes a gender action plan that seeks to ensure activities implemented will use a gender-responsive approach, and not exacerbate gender gaps, but instead, contribute to empowering women.

Human Rights: The benefits relating to human rights, including the right of participation in decision making, the collective rights on ancestral lands, the right to self-selection and the right to free, prior and informed consultation, are detailed in the Environmental and Social Assessment in Annex XIII (i).

D. Investment Framework

Describe in this section how the proposed REDD-plus results-based programme aligns with each of the criteria of the Investment Framework for the activities that lead to the achieved results for the full period over which the results being submitted in this proposal were achieved.

D.1. Impact potential

Describe the potential of the programme to contribute to the achievement of the Fund's objectives and results areas.

With 95.3 million ha of forests in 2016, Indonesia is the country with the third largest tropical forest cover in the world, after Brazil and DRC. The UNFCCC technically assessed FREL ranges from 572.4 MtCO2e/yr for 2014 to 582.8 MtCO2e/yr for 2017, while implementation of the multiple policies described in section C has already led to emission reductions of 244,892,137 tCO_2 eq as the total for 2013–2017. This indicates that the emission reductions from the implementation of the STRANAS have been and will continue to be very significant.

It is important to note that attribution of reduced emissions from deforestation to a single policy or measure is flawed for multiple reasons. From a conceptual standpoint, there is not always a direct and linear relationship between a specific project component and emissions reductions. Rather, emission reductions result from a series of interrelationships of different enabling policies (e.g. moratorium) and direct investments made in the field (e.g. subsidies to farmer). Furthermore, individual policies and measures can pose a risk of displacement. For example, implementation of the moratorium without accompanying measures could simply displace emissions outside of the areas it covers while cancelling off the mitigation effects.

From a technical standpoint it is extremely challenging to estimate displacement of emissions as recognized by the FCPF methodological framework[17]. Furthermore, it is very challenging to achieve full consistency between GHG estimation approaches at national level versus project scale because sampling design and intensity usually differ at national versus project scale. For example, an emission factor based on national scale, may be applied at the local level but will not necessarily be representative at that scale given that the statistical design to gather that data was designed to ensure significance at the national scale. Indonesia deals with these conceptual and technical issues by implementing REDD+ on a national scale. Having a national FREL and national forest monitoring systems allows to account for all possible displacements within the national territory and avoids consistency issues across scale by focusing on ensuring that REDD+ results can be measured, reported and verified at the national scale in line with UNFCCC requirements outlined in the Warsaw Framework.

STRANAS is a multifaceted initiative to achieve results at the national scale. Indonesia uses many sources of financing, including its own budget, to implement it. With multiple partners supporting multiple activities and due to the challenges mentioned above, it is not possible to directly attribute emission reductions to any single investment or to a specific actions/component. Rather, each funding source have made a contribution alongside many others. This reality is acknowledged by international REDD+ experts[18] and it is also consistent with the current GCF PMF which notes that indicator: "*4.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided (including increased removals) as a result of Fund-funded projects/programmes*– should be *Informed by CIF FIP Indicator 1, pending Fund work on the performance framework for REDD+, the Forest Carbon Partnership Facility Methodological Framework (Dec. 2013), UN REDD and emerging United Nations Framework Convention on Climate Change (UNFCCC) guidance on REDD+."*

As per the UNFCCC Warsaw Framework for REDD+, the amount of emission reductions that Indonesia will achieve by implementing its various policies and measures relevant to REDD+ during the implementation of these proceeds (2020-2023), will be known once either the BUR with the REDD+ technical annex or the Biennial Transparency Reports (BTRs) are submitted to the UNFCCC, in 2022 or 2024 and 2026, respectively. These results will be compared with FREL-2. This information will be published on the Lima REDD+ Information Hub on the REDD+ Web Platform, in accordance with UNFCCC decision 9/CP.19.

The UNFCCC Warsaw framework for REDD+ does not require, nor provide a methodology for, attribution of emission reductions to a specific measure or action or donor. Furthermore, attribution of national emission reductions to a single measure, a single project or a single funding source can be flawed because of the risk of displacement associated with any sub-national implementation of REDD+. Indonesia avoids this risk by implementing REDD+ at the national scale, instead of through isolated sub-national projects.

D.2. Paradigm shift potential

Describe the degree to which the REDD-plus activity catalysed impact beyond a one-off programme investment.

The successful implementation of policies and measures for REDD+ identified in STRANAS or stemming from it (incl. social forestry), and the achievement of measurable and reportable results generated a paradigm shift by building confidence in UNFCCC processes through the demonstration that Indonesia's completion of the requirements of the Warsaw Framework for REDD+ in terms of tCO_2e can indeed be rewarded by REDD+ results-based payments. This is an essential signal to policy makers and their constituencies that pursuing REDD+ is not incompatible with economic growth but rather a shift towards a greener economy, and that this enables financial inflows that incentivize and further support that shift towards low-emissions development.
In addition, Indonesia would be the first country outside Latin America to access REDD+ RBPs under the UNFCCC, which would represent a strong signal that this is feasible also for countries from other regions, and in particular those from Asia-Pacific.

The implementation of REDD+ activities in Indonesia contributed to developing an approach that could be replicated in many other countries currently engaged in REDD+ around the world. Indeed, to build confidence that UNFCCC REDD+ results can make a significant contribution to climate mitigation efforts it is necessary for (1) developing countries to gain confidence that they can meet the requirements of the UNFCCC process in order to rapidly obtain and receive RBPs, and (2) for the international community to gain confidence in the

[17] The FCPF in its methodological framework states that "*ER Programs should seek to minimize and mitigate displacement outside the Accounting Area to the extent possible via design of the ER Program. However, due* ***to accounting and attribution challenges and following UNFCCC guidance on REDD+,*** *potential displacement should not have to be accounted for or deducted from the ERs credited to ER Programs*".

[18] See the final report of the Working Group on Scaling Up Performance-Based Transfers for Reduced Tropical Deforestation- working group suggestion p.18 https://www.cgdev.org/sites/default/files/look-forests-web-10-15-15.pdf)

quality of results coming through the UNFCCC process through REDD+ implementation (including the Warsaw Framework for REDD+).

At a country and territorial level, Indonesia's implementation of STRANAS has already and directly contributed to a paradigm shift of reducing deforestation and dependency of natural resources' exploitation and contributed to setting an ambitious forest-sector target into the NDC. Further implementation of STRANAS, including through these RBPs, will enable Indonesia to remain on its path towards a decarbonized economy, while enhancing community and biodiversity co-benefits.

D.3. Sustainable development potential

Describe the wider benefits and priorities, including environmental, social and economic.

The implementation of STRANAS contributed and will continue to contribute to create an enabling environment to sustainable development by achieving systemic change at the local, national and hopefully international levels, and by including social, economic and environmental co-benefits into the proposed paradigm shift, such as protection of forests, of biodiversity, of the rights and indigenous peoples and local communities, including their ancestral and cultural heritage sites, of watersheds, etc. All the policies and measures prioritized in STRANAS have and will directly contribute to limit and reduce greenhouse gas emissions from LULUCF in the context of promoting sustainable development. As such, Indonesia will contribute to meeting the Sustainable Development Goals (SDG), specifically SDG 1 on poverty, SDG 5 on gender equality, SDG 13 on climate action and SDG 15 on life on land.

STRANAS does highlight the importance attributed to "*the creation of additional benefits along with reduced emissions: (a) Improvement of local people's welfare, (b) Improved preservation of biodiversity and (c) Improved protection for other ecosystem services*".

As mentioned in section C.2.1, the Social Forestry programme and Forest Management Units, two flagship government programmes. have represented and still represent ambitious and major positive disruptions in the way land and natural resources have been managed in Indonesia, and particularly in the role given to communities in sustainable forest management. Both programmes consecrate (i) the decentralization of land and natural resources management to better take local circumstances into account, (ii) the importance of multi-stakeholders consultations and participatory processes in the sustainable planning and management of resources, to prevent and/or mitigate conflicts across sectors and users, (iii) the importance of supporting viable livelihood options for local communities, building on the sustainable management of the land and forest resources. The social forestry programme, very complementary to the FMU programme, goes a step further into formalizing access and/or ownership rights from local communities and indigenous people to forest resources and land, providing predictability and security over these resources and the terms of their use.

Activities implemented in these programmes, as more widely all policies and measures from STRANAS, have strong positive impact not only on the preservation and restoration of environmental services such as carbon storage, but also soil preservation, water regulation, among others. In turn, these ecosystem services are key to sustain Indonesia's key economic sectors and enhance their resilience to climate shocks, and in particular agriculture, which represents the main livelihood for a large part of the population and the second biggest source of employment.

See also section C.2.6 on non-carbon benefits for a description of the nature, scale and importance of the project's wider benefits.

D.4. Needs of the recipient

Describe the vulnerability and financing needs of the beneficiary country and population.

Thanks to a steady economic expansion and helpful government policies, poverty rates and inequality are falling in Indonesia, and access to public services is broadening. Economic growth has been solid at around 5% per year since 2013, driven by consumption but also, more recently, by much-needed infrastructure investment. The deficit rule is containing the growth of debt, but additional spending on infrastructure, health and social assistance is limited by low revenues. Though in June 2019 the World Bank was projecting a GDP growth at 5.1% overall 2019 with a recovery to 5.2% in 2020, the potential for "severe" capital outflows as global risks including the US-China trade war intensify may actually compromise this and even lead to a reverse trend.

As mentioned in Indonesia's second Biennial Update Report, **the conservative estimation on financial needs from 2018-2030 to meet the overall conditional target by 2030 is estimated to be about USD 247 billion**. The estimation is based on projected financial needs using existing public climate financing

(government expenditure) added with estimated financial needs for specific interventions in waste and industrial processes and product use (IPPU) sectors which would normally be done by the private sectors.

These combined estimates build the baseline numbers which are used to estimate the projected unit cost of emission reduction in each sector. The financial needs are partially developed from disbursed government expenditure from 2012 to 2016 which is filtered for climate specific activities (MOEF, 2017; MEMR, 2018).

Sector	Financial needs (billion IDR)	Financial needs (billion USD)	Mitigation policies and programs
Forest and Land use	77,824	5.557	Forest conservation/protection programs and forest and land fire prevention and suppression1. Expected emission reduction in 2030 from the BAU is 650 million tons CO2

Table 8: Estimated financial needs specific to the Forest and land use sector over the 2018-2030 period.

As mentioned in section C.2.1, the **Medium-Term Development Plan (RPJM) for 2015-2019** aimed to complete 100% of forest demarcation, establish and make operational 629 FMUs, and foster social forestry partnerships across 12.7 million hectares (including customary holdings). Though the implementation of social forestry has been strongly accelerated, only 3.4 million hectares of forests had been distributed for social forestry by October 2019 (i.e. 9.3 million hectares remaining). And while 531 FMUs have been officially established nationwide (2018), covering a total area of about 83 million hectares (i.e. nearly the entirety of the forest estate), much remains to be done in terms of operationalizing these FMUs.

D.5. Country ownership

Describe the beneficiary country ownership of, and capacity to implement a funded project or programme (policies, climate strategies and institutions).

The Ministry of Environment and Forestry is the national environment authority in charge of designing environmental policies and coordinating strategies, projects and projects for the conservation of ecosystems and the sustainable use of natural resources. It proposes and defines the rules to ensure adequate environmental quality, with development based on conservation and an appropriate use of biodiversity and resources that belong to the country. MOEF General Directorate of Climate Change is the UNFCCC Focal Point, as well as the authority on REDD+ in Indonesia.

In 2016 MOEF was managing a budget 5.95 Trillion Rp (around USD 450 million) with an execution rate of 82.1%.

D.6. Efficiency and effectiveness

Describe the economic and, if appropriate, financial soundness of the programme.

REDD+ is implemented by developing countries, through policies and programs, not projects.

Assurance that mitigation results have indeed been achieved is a fundamental element for a results-based payment scheme and is done before the resources are disbursed.

Result-based payments are a new modality of climate finance through which resources are received ex-post for mitigation results achieved in the past, like payments for environmental services. Developing countries willing to receive payments for REDD+ results must submit their FRL/ FREL to undergo an assessment by two LULUCF experts appointed by the UNFCCC. This evaluation process is conducted annually, following the procedures set out by decision 13/CP.19. The mitigation results will be measured against this reference level and reported on a Technical Annex to the BUR. This Technical Annex also includes the REDD+ activities selected by the developing country, the calculation of results, information on the national forest monitoring system, institutional roles, among other information.

The processes for assessing the FRL/FREL (decision 13/CP.19) and for Measuring, Reporting and Verifying (MRV) of REDD+ results (decision 14/CP.19) are essential to reduce uncertainties and to provide an adequate level of confidence in the system, with a view to attract scaled-up investments. This approach assures the highest level of efficiency and effectiveness to forest initiatives. Countries will aim to achieve the highest possible level of results, so that they can receive more payments/ financial resources, therefore efficient.

Because payments will only be made for fully MRVed results, the mitigation impact is guaranteed before the resources are disbursed, and, therefore, effective.

E. Compliance with GCF policies

Describe how the REDD-plus results-based programme that generated the results submitted in this proposal or will be supported with the proceeds earned by them aligns with GCF policies for the activities that led to the achieved results and for the use of proceeds.

E.1. Environmental and social safeguards

E.1.1. For the period of the achieved results

Summarize the main findings of the environmental and social assessment (ESA) report describing the extent to which the measures undertaken to identify, assess, and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards. This supplements information about the country's own assessment as to how the Cancun safeguards were addressed and respected in the REDD-plus activities.

The ESA report annexed to this FP describes the extent to which the measures undertaken to identify, assess, and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards. The ESA found general consistency with the GCF ESS standards (see Annex XIII (i) for the full report).

The ESA concluded that the Social Forestry and Moratorium initiatives which contributed to the emission reductions for which results based payments were requested, were implemented in a context of a substantial set of underlying PLRs and project measures and activities that were aligned with the principles and standards of the UNDP SES and consequently the Cancun Safeguards, though improvements were still needed and in many respects, already being initiated or otherwise accommodated in the design of future projects.

Collectively, the two initiatives sought to protect forests and biodiversity from deforestation and degradation; respect the human rights of communities, Villages and Adat communities to participate in forest management; provide for their livelihoods; and empower their own traditional institutions. This was done by directly prohibiting third parties from securing new exploitation rights in the lands upon which they depend for their physical and cultural survival; further guaranteeing rights of use, access, participation and/or land titles to collectives over forest resources; and overall improving forest management and governance, including the mechanisms to systematically monitor and report on social and environmental impacts, and to resolve land tenure conflicts and other grievances arising from these and other REDD+ activities. In each case, through the exclusion in whole or part of those that might otherwise seek economic exploitation of the forest resources, greater swaths of forests were protected and an enabling environment was initiated for forest dependent communities to be included, rather than marginalized from the management of their forests.

It is further acknowledged that on their face, both initiatives had the combined pure purpose of protecting forests and peatlands and recognizing local community rights to equitably benefit from and participate (or lead) in forest management. Civil society and in large part, the Government of Indonesia, have highlighted that while the objectives and targets of these initiatives, particularly Social Forestry, were and are ambitious, more needs to be done. Documenting the improvements in implementation that have occurred in just a short period of time (including during the ESA review period) and observing that the continued multi-stakeholder support for both of these initiatives remains strong, the ESA review concluded that these two initiatives warrant the latitude needed for all parties to keep improving the project's delivery as well as its alignment with applicable social and environmental standards. Having seen the planned RBP project (components and activities) and its accompanying Environmental and Social Management Framework (ESMF), the ESA concluded that it is possible for the both initiatives to fully realize their potential through the transparent, participatory, and well-funded application of the PLR reforms and mitigation measures recommended in the ESA and the subsequently drafted, robust ESMF. In this context, both initiatives and the RBP components and activities building upon them can be implemented in full alignment with the UNDP SES and consequently, the Cancun Safeguards.

E.1.2. For the use of proceeds

Provide adequate and sufficient information describing how environmental and social risks and impacts will be identified, screened, assessed and managed in a manner consistent with the GCF's ESS standards, including the determination of the relevant environmental and social risk category of the proposed activities and the appropriate environmental and social assessment tools and management plans.

UNDP's Social and Environmental Standards (SES) were reviewed by the GCF accreditation panel and deemed sufficient to accredit UNDP to submit 'low' and 'moderate' risks projects. The overall social and

environmental risk category for this project is Moderate, with elements that can present high risks only if mitigation measures are not implemented.

The RBP, its components and activities were the subject of an ESMF providing an assessment of the social and environmental risks as well as the needed associated mitigation measures based on: (i) an earlier Social and Environmental Screening Process (SESP), (ii) a consultative process realized to date with government parties, (iii) third party analysis of the core REDD+ activities undertaken thus far, (iv) as well as recent interviews with key stakeholders.

As recommended by the ESMF, further impact assessment and management measures will be needed in order to manage risks effectively throughout project implementation. The first steps during project inception will be to conduct a participatory and comprehensive environmental and social impact assessment (ESIA). This will be carried out by experts and will involve research, consultations, field work, stakeholder engagement and management planning. In this way the findings and recommendations of the ESMF will be further clarified and finalized in an Environmental and Social Management Plan (ESMP). The ESIA will cover the activities planned by the project and provide a way forward for future assessments if and as new activities are developed consistent with the project's approved outputs. Benefits and risks pertaining to project activities will be assessed (such as those related to Social Forestry and forest management planning at the local level, overall governance, stakeholder inclusion, rights over resources, and equitable benefit sharing). An indicative outline of the intended content of the ESIA report can be found in the Annexure 2 to the ESMF (Annex VI (b)). It will be modified accordingly before being attached to the expert's terms of reference.

The preliminary findings and conclusions of the annexed ESMF will be reviewed again based on the findings of the ESIA and as appropriate, modifications will be made to the final ESMP and its associated management plans. At present, the preliminary findings of the ESMF concludes that the following management plans will be needed: A Stakeholder Engagement Plan, a Biodiversity Action Plan, a Gender Action Plan, a Cultural Heritage Management Plan, a Livelihood Action Plan and an Adat Communities Plan. A preliminary Gender Assessment and Action Plan is already included in the annex to this FP. Indicative outlines for the other plans are attached in the ESMF's annex. Since they are occurring after project approval, to ensure effective resource use and maximum relevancy, it will be expected that the ESIA consultants not only confirm (and modify or make more precise, as necessary) the existing risk assessments and recommended avoidance/mitigation measure, but also will present management plans that practically assist in operationalizing and implementing the avoidance and mitigation measures in the context of a range of thematic matters (i.e. governance, stakeholder participation, Adat community rights, grievance mechanisms, monitoring and reporting, etc.).

The ESMF also reviewed the existing national grievance redress mechanism (*GRM or FGRM*) hosted by the MOEF and intended to be a guide and anchor to the project-level grievance mechanism to be developed with stakeholders. Based on these consultations, UNDP guidance on GRMs, and the widely accepted eight "effectiveness criteria" for non-judicial GRMs[19], the project-level GRM will be developed for the RBP project, and will complement and be linked to the national GRM, including its tracking system, its capacity to feed into the SIS-REDD+, lessons learned, and real time modifications to project activities in response such lessons learned.

The execution of the ESIA and the ESMP implementation will be led by the Ministry of Finance (with the technical support of the MOEF) and overseen by UNDP. Consistent with UNDP SESP requirements, no activities that may cause adverse social and environmental impacts will proceed until the ESIA has been completed and per the ESMP, adoption of appropriate mitigation and management measures are completed. Additionally, as evidenced by the ESMF and the newly applicable Performance Based Payment Modality, budget disbursements are scheduled to incentivize and ensure timely completion of all social and environmental risk measures –including the prompt completion of the ESIA, the review and modification (as needed) of the ESMF, the development of the associated ESMP and management plans, and the adoption and readiness of all recommended mitigation measures.

The Project Management Unit (PMU) will include an environmental and social safeguards expert. The PMU will be responsible for the daily activities around monitoring and implementation of the ESMP and its associated management plans. This team will be dedicated to the formulation and follow-up of these frameworks (including their post-ESIA re-evaluation) and to the bi-yearly evaluation of these actions with oversight from the Project Board. Roles will be designated across stakeholder groups such as Adat communities, civil society groups, local governments and FMUs at the Provincial and District level. As the national SIS-REDD+ is strengthened, relevant information generated through the ESMP will be received, incorporated as appropriate, and made

[19] *See* Principle 31 of the guiding principles found at, https://en.wikipedia.org/wiki/United_Nations_Guiding_Principles_on_Business_and_Human_Rights

public. Through the respective roles of MoF, MOEF and other relevant stakeholders (i.e. the PMU, FMUs, and other local implementers), the project will also be called upon to monitor and produce reports on how it has respected and addressed social and environmental safeguards for a Summary of Information (SOI). This information will first appear in Indonesia's second SOI.

E.1.3. Consultations with stakeholders

Provide adequate and sufficient information on the consultations undertaken with all the relevant stakeholders, describing who are the identified stakeholders, what the issues and concerns raised and how these are responded to and considered in the proposed activities. Information on the stakeholder engagement plan or framework will also need to be provided, describing how the activities will continue to engage the stakeholders, further consultations, communication and outreach, and process for grievance redress.

Incorporate by reference, responses to C.1.2.

Continued engagement of stakeholders throughout the life cycle of the RBP project is of utmost importance. This is mandated by law, consistent with Indonesia's STRANAS, made possible based on:

(i) the number of multi-stakeholder forums already in place to facilitate such engagements;
(ii) the project's intention to strengthen the FMUs (which carry out outreach and support activities to local communities, Villages and Adat communities, as well as local governments (see Activity2.1)) and provide for the continuous updating and further development of the overall REDD+ architecture and its various monitoring and reporting mechanisms that will depend on stakeholder cooperation and participation (particularly the SIS-REDD+ (see Output 1));
(iii) the strengthening of local access to a grievance mechanism; and
(iv) the overall emphasis on strengthening the Social Forestry programme which has the express function of bringing stakeholders within forest management (specifically local communities, Villages and Adat communities).

In terms of participation, the *Forest Law* provides that "(1) Community shall take part in the forestry development. (2) Government shall be obligated to encourage community participation through various effective and efficient forestry activities." Following on this commitment, *Indonesia's National REDD+ Strategy* (STRANAS) contains a section 2.2.5.1. entitled "Interaction and Strategies for Stakeholder Participation" and it provides for the "[]identification and mapping of stakeholders, including an understanding of who among them will be most affected either positively or negatively." In 2013, through a very participatory process (as described above), the PC&Is were developed and they provided a broad definition of stakeholder to cover "[a]ny person, group of persons or entity that is or is likely to be subject to the effects of the activities of the REDD+ Unit. Examples include but are not restricted to (for example in the case of downstream landowners), persons, groups of persons or entities located in the neighbourhood of the REDD+ Unit."

Consistent with the above, and as reported in section C.1.2, the STRANAS itself was developed in the context of an ample stakeholder participatory process, as well as the SIS-REDD+, the PC&Is, and the APPS tool which will be used to actively monitor social and environmental impacts so as to influence decision-makers about project implementation and inform the public of public of project operations.

To further increase the information available to stakeholders, the GoI has developed, apart from the SIS-REDD+ system, no less than **10 portals/information systems** that facilitate the sharing of information between the national and sub-national governments as well as local communities. These are each listed in Indonesia's most recent Summary of Information (SOI).

At sub national level, each of the eleven REDD+ pilot provinces, have set up an **Ad-Hoc REDD+ institution** to coordinate REDD+ activities in the province, taking the form of a Working Group, a Task Force, or a Commission. These ad hoc institutions are intended to count with multi-stakeholder membership consisting of representatives of local governments and other related stakeholders, including local NGOs and academia/universities representatives.

Indonesia also has developed and promoted three types of spaces for dialogue, these were: the Forestry Observers Forum, National Forestry Council, and the Social Forestry Task Force (SF Taskforce). Each of these will continue to operate during the period of the RBP Project. The Forest Observers Forum is a collaborative decision making stipulated in article 70 of the Forestry Law. The National Forestry Council accommodates the existence of this institution.

The Social Forestry Task Force (SF Taskforce) itself was established per Regulation from the Directorate General of Social Forestry and Environmental Partnership of the MOEF (No. P.14(2016). These are multi-stakeholder bodies that exist at the provincial level and, among other tasks, is charged with socializing the Social Forestry Programme at the community, Village and Adat level; facilitating community and Village applications for the categories of Social Forestry benefits; observing the PIAPS (indicative mapping of the Social Forestry area), institutional capacity building, expanding and marketing Social Forestry enterprises, facilitating conflicts related to tenure and Hutan Adat (customary forests) in accordance with existing laws, and following various communication and reporting protocols.

In addition, the online SIS-REDD+ platform that will provide the public and project proponents and implementers with information about compliance with safeguards, among other things. The SIS-REDD+ communicates both way with stakeholders, those responsible for reporting on safeguard compliance register and submit periodic reports. Others can also log on and access information uploaded as part of the SIS-REDD+ information flow. The MOEF also hosts a national GRM platform in which any stakeholder can download a complaint and file a grievance, as well as access information about grievances received, the status of the complaint process, and a description of the category of complaint (i.e. related to tenure conflict). In terms of the national GRM, it is further provided that a project-level GRM will be established that will be linked directly to the national GRM. Forest Partnership Agreements, and licenses and permits issued by the Social Forestry programme also will include dispute resolution provisions.

One recalls as well the Social Forestry Programme (Activity 2.2) depends on the willing and informed participation of multiple stakeholders, including local communities, Villages and Adat Communities, as well as a number of private actors with business licenses seeking to enter into partners with local communities. The FMUs and other local government actors and civil society representatives participate in searching out geographic areas and local populations that might be interested in use and access to forest resources and participation in forest management. When these collectives receive licenses, permits, agreement arrangements and titles, these come with obligations to be active participants –including with respect to monitoring. FMU's are also charged with ensuring participation of local actors (representatives of government, civil society, private sector, and collectives holding and claiming forest resources rights) in the development of forest management plans.

There is also the work carried out by the Social Forestry teams (including land tenure investigations) (see Decree No. 83 on Social Forestry), which contemplate the need for engagement with stakeholders. For instance, MOEF has introduced Social Forestry Acceleration Working Groups, comprising Ministry officers, NGOs, practitioners at national and provincial levels to support community engagement and access to the Social Forestry programme benefits. To further support these working groups, multi-stakeholder platforms with balanced gender and social group representations, at relevant governance levels, will be established to provide inputs on among others, socio-cultural, biophysical, economic contexts, as well as support socialization for the program. The role of facilitators is also considered indispensable to achieve the objectives and targets for the Social Forestry programme to be strengthened as part of the RBP project. As such, trained facilitators supported through Activity 1.2 will be mobilized to support the governance structures such as the Social Forestry Acceleration Working Groups, multi-stakeholder platforms; support conflict management and build entrepreneurial partnerships.

In terms of the STRANAS, free, prior and informed consent (FPIC) is provided for at section 2.2.2.2(3) providing that "Harmonization and revision of natural resources management regulations and policies to ensure the principle and processes of Free, Prior, and Informed Consent (FPIC) are internalized in the issuance of all permits for the exploitation of natural resources.", but calls on the State to carry out processes for FPIC, though when defined and applied in practice, it appears to be more akin to FPI *Consultation*. This is interpreted as securing broad community support. For instance, the Strategy's Section 2.2.5.2(1) provides that the "[t]he application of this protocol [on FPIC] involves consultation with the relevant indigenous peoples, local communities, and other members of the public affected by the implementation of REDD+ programs/projects/activities". The same strategy also provides at 2.2.5.2 that "Consultation is based on complete, balanced, honest, unbiased, and easily understood information concerning the alternatives and choices existing for the public within the implementation of REDD+ activities, along with the consequences of each alternative choice. This information is meant to create leeway for broad consensus, with all parties having access to existing opportunities."

Going forward, it has been clarified in the ESMF and intended for implementation, the need to further develop when and how FPIC (with consent) is applied in the context of REDD+ activities, in particular the development of forest management plans where the subject lands include local community, Village and Adat forests, and all titling and process involving the granting of use and access rights.

The recommendation/mitigation measure on consultation and consent provided by the ESMF for the RBP Project going forward is only one of several measures designed to increase stakeholder participation and engagement. Others include, increased capacity and training (including a Capacity and Training Committee to identify needs and Safeguards training), the development of a communications strategy (and communications committee), the establishment of a implementation of a Stakeholder Participation Plan and an Adat Community Plan (indicative outlines for the same are already provided for by the ESMF to be further developed by the ESIA consultants), the establishment of a Transparency Working Group, inclusive participation of Stakeholders in the Project Board (including Adat communities and other Collectives in decision-making and advisory bodies), and a review of existing Multi-stakeholder platforms to identify ways for strengthening and/or the establishment of additional mechanisms.

As a form of monitoring stakeholder, the Social Forestry Programme will also continue tracking annually the "number of networks and partners (civil society organizations, business sector, higher education institutions, legislators through the environmental and forestry caucus, and other institutions) that partake in building natural resources and ecosystem and environmental rescue communities". Such networks and partners have continued to increase every year and it is planned that such expansion will continue.

E.2. Risk assessment

E.2.1. For the period of the achieved results

Provide adequate and sufficient information that allows for an assessment of the historical performance of the activities undertaken and their track record against the risk tolerance levels specified in the Risk Appetite Statement and the criteria outlined in the Risk Guidelines for Funding Proposals.
Please note that you should consider only the applicable and relevant parts of the two above documents to the feedback you provide.

Indonesia is presenting emission reductions resulting from a combination of policy and programmatic interventions set out in its REDD+ implementation (See Table 4 in Section C.2.1). While it is not possible to directly attribute these results to particular policies or programmes due to a complex set of direct and indirect political, social, economic and environmental factors, Indonesia, has referred to the Forest Moratorium policy and the Social Forestry Programme as main contributors. Recognising the significant mitigation contribution from the moratorium, i.e. 200 million tonnes of CO2eq by 2030, the latest Instruction of the President No. 5 2019 has made this permanent by not including an end date.

In the same token, the President has prioritized the Social Forestry Programme as evidenced through a dedicated high-level unit, Directorate General of Social Forestry and Environmental Partnership in the Ministry of Environment and Forestry. It has, among others, introduced Social Forestry Acceleration Working Groups at both national and provincial levels as well as facilitators to support activities on-the-ground.

To ensure a sustained performance, Indonesia is regularly updating the Moratorium and Social Forestry indicative maps to ensure the protection of community and Adat's rights in the planning of forest resources. Parallel to the indicative Social Forestry map, Indonesia also launched an indicative Adat customary forests map which took into account customary rights of Adat community. These maps will be used to address overlapping claims on land.

Grievance redress mechanisms have also been strengthened, for instance the Directorate General on Social Forestry and Environmental Partnership, in 2015 and 2016 alone, resolved conflicts covering 2,775,010 ha of land. Since 2017, a new web-based platform for GRMs, hosted by the Ministry of Environment and Forestry, allows stakeholders to file complaints online for no cost, track the same, and view information about complaints.

Furthermore, Indonesia has established various instruments to ensure the performance of the activities undertaken in reducing the emission. National Registry System on Climate change, National Forest Monitoring System, SIGN-SMART are some of the systems established to track performance of emission reduction. Indonesia is also accelerating the process of systematization and harmonization of forest governance through the One Map Policy. This initiative is also a priority under National Movement on Natural Resources Rescue (Gerakan Nasional Penyelamatan Sumberdaya Alam – GNPSDA) administered by Anti-Corruption Commission (Komisi Pemberantasan Korupsi – KPK)

Moreover, transparency and performance assessment can also be done through SIS-REDD+ and MOEF grievance online platforms (http://ditjenppi.menlhk.go.id/sisredd/ and http://pengaduan.menlhk.go.id) respectively. As for ensuring transparent, accurate, consistent, comparative and comprehensive (TACCC) MRV implementation, Indonesia has established modalities for National MRV System, which included:

- National MRV Scheme (Ministerial Regulation No 72/2017; http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/permen/P72.pdf)
- Registry System (Ministerial Regulation No 71/2017; http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/permen/P71.pdf)
- Guideline for MRV REDD+ (Annex of Ministerial Regulation No 70/2017; http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/P.70.pdf)
- MRV team under DG CC Regulation Number SK.8/PPI-IGAS/2015.

An environmental and social assessment of the Forest Moratorium and the Social Forestry Programme for the results period can be found in Annex XIII (I).

E.2.2. For the use of proceeds

Provide adequate and sufficient information that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the Risk Appetite Statement and allows for performance monitoring and evaluation against the criteria outlined in the Risk Guidelines for Funding Proposals.
Please note that you should consider only the applicable and relevant parts of the two above documents to the feedback you provide.

Regulation of engagement in prohibited practices is described in section E4.

Capacity to deliver project impact:
As mentioned in section D.1 above, there is a consensus that the key governmental programmes to which the use of proceeds will contribute have a strong potential to contribute to the GCF mitigation objectives. Identification of priority areas and implementation methodologies used in the implementation of this programme will seek to maximize climate mitigation and adaptation benefits, along with social and environmental benefits. Also, the application of high environmental and social safeguards will contribute to robust and long-last impact.

Adequate policy and regulatory support
As mentioned in section C.2.1, this project will contribute to key existing national programmes which enjoy high political support and strong direct ownership from MOEF. These programmes are mentioned explicitly in multiple documents, incl. the National Medium-Term Development Plans for 2015-2019 and 2020 - 2024, the NDC and its October 2019 roadmap, the STRANAS, the RAN-GRK, and others.

AE / EE capability
As a co-executing entity, MOEF's experience includes the development of the National REDD+ Strategy (STRANAS), of the FREL endorsed by the UNFCCC, of the SIS. The GCF project will build on MOEF's vast experience in sustainable forest management and sustainable land use programmes, including through community forestry schemes; rehabilitation of degraded land and peatland restoration; increasing climate change adaptation capacity and GHG emissions reduction.

MOEF has been the leading partner for UNDP Indonesia for decades. The collaboration ranges from advancing global and national biodiversity agenda, to tackling climate change mitigation and adaptation, to enhancing forest governance structures and practices. UNDP Indonesia has also been working closely with the Ministry of Finance since the 2000s in the areas of climate and biodiversity financing and greening fiscal policy. The following are the relevant projects under the Ministry of Environment and Forestry:

- Support the establishment of Indonesia REDD+ infrastructure and capacity. UNDP Indonesia supported the Directorate General of Climate Change Control in the MOEF who assumed the duties and functions of the REDD+ Agency and Indonesia Climate Change Council. The total budget was USD 12.6 million, covering 2015-2018, which was funded by the Norway government. Besides the REDD+ infrastructure, the project also supported the implementation of social forestry, forest moratorium, and forest management unit.
- Support the protection of vulnerable species, for example, tiger in Sumatra Island and Anoa in Sulawesi Island, through better landscape management, community empowerment and the effective regional conservation office and national parks. The Global Environment Facility (GEF)-funded project is USD 15.6 million, from 2014-2020, and works closely with the Directorate General for Conservation and Natural Resource Management.
- Support effective law enforcement in tackling environmental and forest-related crimes and illegal wildlife trade through law enforcers collaboration, applying multi laws for more deterrent effect and innovative monitoring mechanisms, for example, social media and satellite tracking. The project is under Directorate

General for Law Enforcement funded by the GEF, the Norwegian and the Australian Governments. The total amount is USD 11.1 million, covering 2017-2023.

- Support strengthening Forest Area Planning and Management in Kalimantan island. The project focuses on creating more effective land allocations and management of forest areas with high biodiversity and ecosystem services in the context of potential estate crop development in Kalimantan and particularly in the Heart of Borneo (HoB) area. The project is under Directorate General for Forestry Planning and Environmental Governance, covering 2018-2024. The total amount is USD 9 million.
- Support the Second and Third National Communication to UNFCCC Secretariat. The project is under Directorate General for Climate Change Control funded by GEF. UNDP Indonesia is also supporting the development of a full project document for strengthening sustainability in commodity and food systems, land restoration and land use governance through integrated landscape management for multiple benefits in Indonesia, funded by GEF. The total amount is USD 16 million for 2020-2025.

For the Ministry of Finance (Executing Entity), UNDP has been supporting sustainable development financing and biodiversity financing through climate and biodiversity budget tagging, performance-based approach, and green investment. The project is under fiscal policy agency with a total amount of USD 2 million.

As shown in Figure 10 below, following a slow start, areas allocated by MOEF to social forestry in the 2015-2019 period have increased more than six-fold compared to the 2007-2014 period, with a very strong, increase from 2017 and especially 2018.

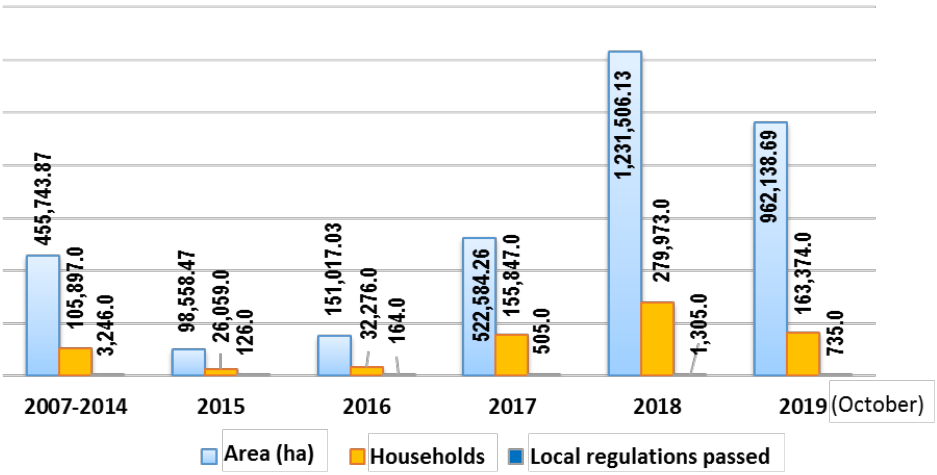


Figure 10: Progress of social forestry programme

Source: Directorate General of Social Forestry and Environmental Partnerships (2019)

As mentioned in Resosudarmo et al. (2019), this acceleration was managed through various key measures among which:

1. Streamlining multiple past regulation into one umbrella regulation 83/2016 on Social Forestry.
2. National-wide indicative map for the allocation of social forestry schemes.
3. The establishment of a unit specifically responsible in overseeing social forestry applications and implementation.
4. Social forestry acceleration working groups.
5. The development of an online system for SF applications.
6. The provision of multiple sources of funding.

This provides for strong enabling conditions for robust progress in the coming years. In order to further contribute to this, the project integrates in Output 1 enabling activities aimed at addressing known remaining bottlenecks, such as the availability of a sufficient number of trained facilitators to support local actors on the ground. This will also contribute to ensure a long-lasting impact after project closure.

E.3. Gender considerations

E.3.1. For the period of the achieved results

Provide adequate and sufficient information in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy.

Indonesia has made significant strides in integrating gender equality and the protection of women's rights in national institutions, laws and policies. The GoI established the State's Ministry for Women's Empowerment in 1978, later changed into Ministry of Women Empowerment and Child Protection (MOWECP), as the national institution responsible for ensuring the implementation of gender equality and women's empowerment measures nationally, and is the lead government agency with a mandate for mainstreaming gender in the government, across sectors and at multiple levels. Indonesia also ratified CEDAW in 1984, establishing a requirement for gender mainstreaming in the implementation of national development programs through Presidential Instruction No.9/2000 on Gender Mainstreaming in the National Development. The former addresses the promotion of the positions, roles and qualities of women to attain gender equality in the family, society and nation and mandates all government agencies to mainstream gender in their policies and programs. Several other regulations guide the implementation of gender mainstreaming in the departments and regional government, including the development Policy on Improvement of Women's Lives 2010-2014 aimed at enhancing women's status in education, health, economic activities, political participation and society and culture and the Ministry of Home Affairs Regulation No.15/2008 on Guidelines for mainstreaming gender in the region; and finally the Ministry of Finance Regulation No. 119/PMK.02/2009 stipulating gender responsive budgeting. For a full treatment of Indonesia Legal and administrative framework in regard to gender, refer to the Gender Assessment and Action Plan found in the Annex XIII (c) to this FP.

In regards to the forestry sector in particular, MOEF has made efforts to incorporate gender into its activities, including 1) the re-establishment of its Gender Working Group in 2012 and 2) the initiation of gender responsive budgeting and implementation of gender awareness and gender analysis training courses for its staff. Through a MOU signed in 2016, the MOWECP also supports MOEF with their gender mainstreaming efforts, which includes its efforts to develop gender indicators for REDD+.[20] The activities of the Gender Working Group have included training on gender mainstreaming, information dissemination and gender responsive budgeting, planning and analysis. In a 2016 ADB study it was noted, however, given its ad hoc nature the Gender Working Group has limited authority to make any significant contribution to gender and organizational change, requiring improvement in this regard.[21] To note, to help in this effort, in 2017, the MoEF developed a regulation on Guidelines for Gender Mainstreaming (P.31/Menlhk/Set Jen/Set.1/5/2017) which aims to help address gender gaps, requiring that the MOEF must guarantee the availability of human resources, funding and adequate infrastructure to support gender mainstreaming within its scope of work.

In addition, the MOF has a gender working group to support gender mainstreaming within its activities and projects. Illustrating its capacity and effective work on gender mainstreaming, the MOF has received a gender mainstreaming award (known as Anugrah Parahita Ekapraya) in 2013, 2016 and 2018.

The public consultation process for the National REDD+ Strategy included a series of meetings in seven regions: Java; Kalimantan; Sulawesi; Sumatera I; Sumatera II, Bali, Maluku and Nusa Tenggara; Papua, engaging representatives of government, civil society, academics and private sector, as well as posting on a website to get inputs from a wider audience. Unfortunately, these consultations had low participation of women (at 12 percent), also signalling the need for more comprehensive gender justice focus in national forest management strategies, and better coordination between ministries. In this regard, the implementation of a Gender Action Plan for REDD+ activities and the use of proceeds nationally provides a significant opportunity.

It should also be noted that from 2010 to 2013, the Government of Indonesia received support from the UN-REDD Programme on REDD+ readiness. In implementation, the Programme undertook various efforts to integrate gender into its efforts, including a training workshop delivered over two days to the Project Management Unit (PMU) staff to enhance their understanding on gender issues, develop gender-specific indicators and determine relevant activities to be integrated in the Programme's work plan. A workshop on "Gender Safeguards in REDD+ Initiative" was also held in Jakarta in February 2012 to provide inputs and guidance on how to integrate gender into the safeguard's principles, criteria and indicators. Similarly, a workshop on gender safeguards was also held in Central Sulawesi to gain inputs from local communities. The Programme also implemented Free, Prior, Informed and Consent (FPIC) activities in several pilot sites in Central Sulawesi which considered gender aspects and a "Guidance Note to Integrate Gender in Implementing

[20] Center for International Forestry Research (2016). Gender in Forestry and REDD+ in Indonesia. Available at: https://www.cifor.org/library/6010/
[21] Asian Development Bank (2016). Gender Analysis for Republic of Indonesia: Community-Focused Investments to Address Deforestation and Forest Degradation Project. Available at: https://www.adb.org/sites/default/files/linked-documents/47084-002-sd-05.pdf

REDD+ Social Safeguards in Indonesia" was completed in 2012, and its results were used by the REDD+ Task Force to inform the gender elements of its social safeguards.

In regard to the National REDD+ Strategy (STRANAS), gender considerations are incorporated into various aspects, including in its principles, as noted below.[22]

- The principle on fairness of REDD+ implementation notes "REDD+ is implemented on the basis of the principles of equality for all and human rights protection in forest management, including for women and communities vulnerable to socio-economic and environmental change" (p.5);
- One principle to be adopted to change the culture and paradigm in the country is "gender sensitivity" which calls for the attention to equality in roles, needs, and responsibilities of men and women (p.25);
- Efforts to strengthen forest and resources governance calls for accurate information to be available for public participation through capacity-building for community members, especially women and other vulnerable groups, to improve: (i) understanding of available information; and (ii) participation in decision-making processes (p.25);
- The minimal social safeguards to be complied with by REDD+ implementing agencies includes assurance of gender equality and the right of vulnerable groups to participate equally in REDD+ implementation (p 32);
- Requirement that the social safeguards framework is designed in such a manner to protect and benefit vulnerable groups, including 1) indigenous peoples and local communities living in and around forests, whose livelihoods depend on forest resources; 2) women, who face the full brunt of changes in family income; and 3) other societal groups, whose social, economic, and political status put them in a weak position in terms of fulfilment of their human rights (p.29);
- The guidance noted on the social safeguards framework calls for the inclusion of indicators that evaluate the "accountability of verification results relating to the distribution of benefits from the implementation of REDD+ activities among groups of men and women" (p.31).

While the SIS-REDD+ was a results of broad multi-stakeholder consultation, it currently does not contain any reference to gender, either in its principles, criteria or indicators, or the APPS tool. As such, future application of the SIS-REDD+, the principles, criteria and indicators, the APPS tool, and in general, any articulation of future social impact monitoring should consider gender elements, recalling that women often use natural resources and are impacted by changes in natural resource uses in manners that are different than men. Again, the implementation of the FP's Gender Assessment and Action Plan found in Annex XIII (c) to this FP provides a significant opportunity in this regard, and is described further in Section E.3.2 below.

E.3.2. For the use of proceeds

Provide adequate and sufficient information on how the AE will undertake activity-level gender assessments and action plans once the details of the activities become known.

UNDP is committed to reducing gender inequalities in access to and control over resources and within the benefits of development, including in the context of forest governance and REDD+. The project activities have been designed to not only ensure this project will not discriminate against women or girls or reinforce gender-based discrimination and/or inequalities, but also to ensure that project activities, and evolving REDD+ architecture, the SIS-REDD+ and activities for the use of proceeds is gender-responsive, in which both women and men are able to participate meaningfully and equitably, have equitable access to resources, and receive comparable social and economic benefits.

To help facilitate these outcomes and ensure the integration of a gender responsive approach within the project components, UNDP will ensure inclusive and participatory activity-level gender assessments and action plans are undertaken. The starting point of this process is the Gender Analysis and Action Plan (GAAP), which outlines gender-responsive actions for each of the activities of the project, and includes indicators, targets and means of verification to track the gender-responsiveness of the project. The project/national level GAAP is intended to be reinforced and contextualized through sub-national (provincial and district level) actions plans, which will establish baselines for monitoring, as well as the particular gender issues which exist at the local level, given the immense diversity of Indonesia's population. These assessments and action plans will comply with UNDP's Social and Environmental Standards, including Principle 2 on Gender Equality and Women's Empowerment and will be developed and validated in consultation with affected stakeholders, including

[22] Government of Indonesia (2012). REDD+ National Strategy. Available at: https://www.unredd.net/documents/un-redd-partner-countries-181/national-redd-strategies-1025/15862-indonesia-national-redd-strategy.html

equitably and meaningfully with women and men (and youth, when applicable).

In this work, UNDP will identify and assess the different needs, constraints, contributions and priorities of women, men, girls and boys within the activity sites. It will then incorporate corresponding measures within the action plans to ensure 1) any possible adverse gender impacts are avoided; 2) and that women, men and youth can equitably participate in, inform and benefit from the activities being proposed 3) that women's decision making roles, and access to and control over forest resources are supported. Gender budget and indicators will be also assigned within the action plans to ensure the gender activities identified have accountability mechanisms in place to ensure their implementation. This analysis and planning will be undertaken and then validated equitably with affected women, men and youth stakeholders before implementation of the activities commence.

The FP's GAAP, found in Annex XIII (c) to this FP, takes into account recent changes in national legislation and operationalization of Gender Mainstreaming in the Environment and Forestry sector, as outlined in the "Regulation of the Minister of Environment and Forestry Number P.31/Menlhk/Set Jen/Set.1/5/2017 on Guidelines on the Implementation of Gender Mainstreaming in the Environment and Forestry Sector" issued by the MOEF in May 2017. The regulation recognizes that acceleration is required in regard to the promotion, effectiveness and optimization gender mainstreaming in M&E, policies, programs, and activities in the environment and forestry sector and emphasizes implementation in the field on the Guidelines for Gender Mainstreaming. The guidelines themselves, issued as a Presidential Instruction in 2000, was a strategy aimed at closing the gendered disparity in access, participation, control and benefits of development between women and men. The annex to the regulation recognizes that the Guidelines should not only be limited to the gender gap between men and women, but also increase the social inclusion of other marginalized groups and resolve the disparity of access, participation, control and benefits of development of children, the elderly, persons with disability, Adat communities and other groups. An MoU was also signed between the MOEF and the MOWEPC in 2016. Accordingly, the GAAP emphasizes capacity building within the MOEF and Forest Management Units (FMUs) in regard to gender-responsiveness, greater participation of women's groups in multi-stakeholder platforms, and gender-responsive reforms in the Social Forestry program. Actions which support sensitization on gendered power dynamics in the decision-making processes in Adat communities are also included, as well as support to women-led community organizations. These actions in the GAAP will help to accelerate action towards the priority areas identified in the Guidelines to Mainstream Gender (Peraturan Menteri LHKH P.31/2017).

Additionally, while there is internal support on gender within the MOF and MOEF, the GAAP concluded that additional backstopping support on gender will be needed. As such, a gender consultant/NGO will be hired and at least one of the Safeguards Officer, hired to support the project, will be required to have gender expertise. Furthermore, to ensure the gender teams/working groups within the MOEF and MOF have sufficient knowledge on REDD+ and the 'how to' integrate gender into it, capacity building of these teams will take place to support effective mainstreaming of gender in project implementation as well as to encourage sustainability of project outcomes once the project is finished. Please reference the GAAP found in Annex XIII (c) to this FP for more information.

E.4. Interim policy on prohibited practices

E.4.1. For the period of the achieved results

Provide appropriate and sufficient information to demonstrate that no Prohibited Practices occurred during the implementation of the activities that lead to the REDD-plus results, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism, which occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.

Indonesia has established a national financial intelligence unit, Financial Transaction Reports and Analysis Center (Pusat Pelaporan dan Analisis Transaksi Keuangan or PPATK in Indonesian language), through Law No. 15 of 2002, and the Financial Services Authority (Otoritas Jasa Keuangan or OJK in Indonesian language) the national authority on financial services through Law No 21 of 2011 on OJK. These two bodies are responsible to monitor money flows and detect illicit financial flows that come from national budget or private budget.

PPATK is an independent agency that directly reports to the President. It uses the follow-the-money approach in preventing and combating crimes. PPATK has several focuses, including natural resources related crimes, corruption and terrorism. To help PPATK's function, Presidential Decree No. 6 of 2012 establishes a National Coordinating Committee to Prevent and Combat Money Laundering Crimes that is chaired by the Coordinating Minister for Political, Legal and Security Issues. Its function is to help mainstream PPATK into the executive functions of the government. PPATK is also frequently requested by the President and the House of

Representatives to track the financial history of candidates for high-level posts to ensure they are free from suspicious financial transactions.

OJK, a newer institution, is an independent regulator of the financial services, including capital market, banks, and non-banks. The scope of its authority includes developing mechanism to develop regulation, giving technical assistance, monitoring and evaluation as well as investigation to ensure good financial practices by financial industry. OJK introduces various innovations to strengthen monitoring of financial industry. Some examples are Integrated Licensing Information system for multi-sectoral licenses that shortened the licensing process from 105 working days into 22 days. This integrated and digital based licensing process help minimise the opportunity for corruption.

Moreover, Indonesia also has Anti-Corruption Commission (KPK) that was established through Law No. 30 of 2002 and an "Anti-Corruption Court" established by Law No. 46 of 2009 concerning Criminal Corruption Courts. Article 5 of Law No. 30 of 2002 provides for the court, which is the only court with the authority in Indonesia to decide on criminal corruption cases. These two bodies are Indonesia's leading instruments in targeting and preventing corruption in the use of national budget.

KPK's Law was recently amended in October 2019 for the purpose of strengthening its governance but these recent amendments have not been implemented. However, KPK has a very strong track record of detecting and apprehending many high-level officials at national and local levels. The success rate of KPK prosecution is more than 75%.

In addition to its strong legal enforcement presence, KPK is also leading corruption prevention. One of its main focus is on natural resources. On 19 March 2015, KPK, together with 27 relevant ministries and governmental institutions launched a National Movement to Save Natural Resources with a main focus on forestry, plantation, mining, and fishery sectors. This movement commenced in 2010-2011 when KPK conducted a diagnostic assessment to understand the governance problems surrounding the forestry sector. After the launch of the movement in 2011, from 11 March 2013 to 11 March 2016, KPK worked with the President's Delivery Unit (UKP4) to develop as well as provide oversight to 12 ministries and government institutions to improve land-based resource governance. This series of initiatives have helped improve many governance aspects of forestry and land-based governance; a few direct policy outputs from this initiative are the policy to expedite forest gazettement and the policy to improve coordination between land agency and forestry ministry to resolve conflict in forest area.

Another important policy is the multi-door approach initiated by the President's Delivery Unit and REDD+ Agency, and the MoU, signed 20 December 2012, between UKP4/REDD+ agency with law enforcement agencies such as the police, Prosecutor's Office, PPATK, and relevant ministries that have civil servant investigators: Ministry of Forestry, Ministry of Environment. This MoU allows close cooperation to use various legal channels to ensure prohibited practices did not take place. This approach developed understanding and capacity of various agencies to use various relevant laws, focusing on corporate crime. Law enforcers often missed the opportunity to use many new legal channels provided by sectoral laws due to lack of understanding about these laws as well as the sectoral approaches to law enforcement. This approach has successfully prosecuted important cases such as Rawa Tripa where it was both a criminal and civil case arising from a private company given a license to develop palm oil plantation in a protected peat swamp forest, which might not be successful if the traditional enforcement approach was used.

E.4.2. For the use of proceeds

Provide appropriate and sufficient information including on control measures that assures that the proceeds will be used in a manner compliant with the Interim Policy on Prohibited Practices, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the Prohibited Practices; and double payment or financing for the same results achieved, etc.

As per article 9.03 par. (a), of the Accreditation Master Agreement between UNDP and GCF, UNDP will apply its own fiduciary principles and standards relating to any 'know your customer' checks, anti-corruption, AML/CFT, fraud, financial sanctions and embargoes in order to comply with the Policy on Prohibited Practices.

E.5. Indigenous peoples

Provide adequate and sufficient information on how the activities to be implemented with the use of proceeds, will meet the requirements of the GCF environmental and social safeguards standards and policies relevant to indigenous peoples and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.

The application of UNDP's Social and Environmental Standards ensure that the project will protect and foster full respect for human rights of Indigenous Peoples (Indonesia refers instead of "Adat communities") under international and national law. These standards are also fully aligned with the GCF environmental and social safeguards standards and policies relevant to indigenous peoples.

Furthermore, as designed, the RBP outputs and activities are intended to be carried out in a manner that complements and is consistent with the objectives of national forest programmes. The outputs and activities are designed to carry out national forestry objectives of increasing the inclusion of Adat communities in forest management to improve forest integrity, sustainable forest economies, and the livelihoods of these communities.

The project activities also will be implemented in a manner that is consistent with relevant international conventions and agreements, not the least of which include the following which Indonesia has ratified, acceded to, or accepted (all providing for the human rights of indigenous peoples and all ratified, acceded to, or otherwise accepted by Indonesia): Convention on the Rights of the Child, Convention on the Elimination of All Forms of Discrimination Against Women, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Convention on the Elimination of All Forms of Racial Discrimination, Convention on Biological Diversity, the United Nations Framework Convention on Climate Change - Decision 1/CP.16, and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The lion share of the RBP proceeds will be dedicated to two activities that can benefit Indonesia's Adat communities: supporting the operationalization of Forest Management Units (FMUs) (Activity 2.1) and expanding and enhancing implementation of the Social Forestry programme (Activity 2.2).

FMUs have a number of tasks. These include working with Adat communities as well as local communities and Villages (some Adat communities not yet legally recognized). They communicate the scope and possible benefits of the Social Forestry Programme, help these collectives apply for the benefits of the programme (i.e. licenses, permits, forest partnership arrangements, titles etc.), are authorized to assist in implementation of responsibilities of these collectives should their applications be approved, and the FMU help to monitor social and environmental impacts, and carry out participatory development, implementation and monitoring of sustainable forest management planning processes and other relevant subnational land-use planning processes, as well as community sustainable development plans. By increasing the FMU's technical and human resource capacities, as well as funding, its capacity to ensure that indigenous peoples have equitable access to the benefits of the Social Forestry programme and other opportunities within REDD+ is redoubled.

Also, as summarized above, the Social Forestry Programme has as its main objective to grant forest resource rights to Village and local communities (many of which are Adat communities) over forests. These include rights of management, use and access to forest resources, forest management participation, and a path to recognition of Adat (customary) forest (i.e. property titles). Villages, local communities and Adat communities are equally eligible under the programme, albeit Adat communities must first be recognized as indigenous peoples by local governments. The programme is voluntary, and not imposed on these populations –respecting their rights to choose their own development path. Application for licenses and permits, including forest participation agreements largely depend on applications filed by local community and Village leaders and institutions (recognizing their own governance structures). The programme is an ambitious one aiming to include, rather than exclude local communities and otherwise marginalized populations in national forest management. The goal is to formally include them in the sustainable production, protection and conservation of the very forest resources upon which they depend for their physical and often cultural survival, and in doing so reduce deforestation while improving livelihoods and reducing poverty and conflict.

The programme takes its lead from an indicative map of State Forest Areas. It is well-recognized that this map does not show the significant overlap Adat forests claimed, but not yet titled. The DG of Social Forestry and Environmental Partnership has now begun an Adat Forest indicative map and this has been provided for by an MOEF 2019 regulation. Also, the DG is beginning dialogues with the civil society organization, Aliansi Masyarakat Adat Nusantara (AMAN), to reconcile and be informed by the extensive mapping of Adat forests already done by this organization. It is also recognized that the Government has yet to define a procedure to ensure that local communities and Villages soliciting use and access rights, will not be prejudiced in any future attempts to claim full title as an Adat forest (thereby being excised from the State Forest areas). There is also no procedure defined yet to transition from a lease or permit to a titled Adat Forest. The same DG is now exploring ways to address some of this, and in the meantime, the ESMF for the RBP Project requires that all Social Forestry arrangements reduced to writing (leases, partnership agreements etc) make clear that they in no way waive or otherwise prejudice such rights.

As evidenced by the substantial use of proceeds dedicated to this programme evidences Indonesia's commitment to the Social Forestry Programme. Key targets to expand Adat titles to forest resources and provide in the interim for community/Village use and access rights are ambitious, but both doable and seen by Indonesia as necessary for climate change mitigation success (planning to allocate 12.7 million ha under the programme). As mentioned above, the Government accelerated the implementation of the programme in 2014/2015 and implemented a number of key pieces of legislation to facilitate implementation in a rights based manner (including regulations detailing procedures to apply for Adat forest titles, to resolve land tenure disputes, and to simplify the Social Forestry application processes while also establishing teams that will do proper due diligence around the subject lands (i.e. investigate/resolve possible overlapping land claims). Together with a number of the DG-activities described previously – these measures evidence the State's responsiveness to challenges and needs for enhancements which have been identified in the past few years. Together with the mitigation measures required by the ESMF, Indonesia intends to deliver on its Social Forestry targets and commitments in a rights-based manner that provenly improves both forests and the lives Adat communities indigenous peoples.

Furthermore, the ESMP will particularly guide the above efforts through the application of an Adat Communities Plan, a Cultural Heritage Plan, and if applicable (should unintended, but possible partial economic displacements occur through access and use limitations, a Livelihoods Action Plan). The ESMF also requires that: there be inclusion of Adat communities in decision-making and advisory bodies; that an expert on the rights of Adat communities be included in the PMU; that capacity building related to indigenous peoples rights is provided to relevant project implementers (including FMU staff); that the process for local recognitions of Adat communities (a precondition to titling) be examined and as necessary, reformed to expedite and not delay Adat forest titling (begun by the DG); that the indicative maps for Social Forestry be informed by the overlaps of Adat customary forests (also a process begun by the DG), that FPIC and compensation procedures be well-defined, implemented and tracked going forward, and that mechanisms be put in place in practice and potentially law that accelerates the recognition of communities as Adat communities (precondition to titling) and ensures that the grant of forest resource user and access rights for local communities and Villages does not prejudice future claims for Adat titles (also being considered by the DG).

E.6. Monitoring and evaluation

Provide information on the monitoring arrangements that will take place for providing annual monitoring reports based on the information provided for the use of proceeds in sections C.2.3 and C.2.4.

Project-level monitoring and evaluation will be undertaken in compliance with the UNDP POPP and the UNDP Evaluation Policy. The M&E Plan will be conducted in accordance with UNDP and GCF procedures by the project team and the UNDP Country Office (UNDP CO), taking into considerations the specificities of the TORs of the pilot programme for REDD+ RBPs, whereby no inception meeting, mid-term evaluation or final evaluation are required, The UNDP project document will include performance indicators and related means of verification.

The following sections outline the principal components of this plan. The project's M&E plan will be finalized at project start with relevant stakeholders

Annual Performance Report

This key report is prepared by the Project Technical Advisors, consolidated by the Project Manager and approved by the Project Board to monitor progress made since project start and, in particular, for the previous reporting period. The format and content of the annual report will be adjusted based on the simplified reporting regime established for RBPs by the GCF.

As needed, the UNDP Country Office will conduct visits to project sites based on the agreed schedule to assess firsthand project progress. Other members of the Project Board may also join these visits. A Field Visit Report will be prepared by the CO and UNDP Regional Office and will be circulated no less than one month after the visit to the project team and Project Board members.

In addition, the Ministry of Finance (assisted by MOEF) will conduct visits to project sites periodically and field visit reports will be prepared.

The UNDP CO will support the Project Manager as needed, including through annual supervision missions. The UNDP CO is responsible for complying with UNDP project-level M&E requirements as outlined in the UNDP POPP. Additional M&E and implementation quality assurance and troubleshooting support will be provided by the UNDP Regional Technical Advisor as needed. The project target groups and stakeholders, including the National Designed Authority, will be involved as much as possible in project-level M&E. The UNDP

CO will retain all M&E records for this project for up to seven years after project financial closure in order to support ex-post evaluations.

F. Legal arrangements

E.6.1. Legal title to REDD-plus results

- *Provide an analysis with respect to legal title to REDD-plus results in the country. This should include an analysis of entitlement to claim for the results to be paid for by the GCF.*
- *Covenant that no other party has a competing claim to the results proposed to the GCF in accordance with national policy, legal or regulatory frameworks.*

It is important to note that there is no transfer of ownership of the emission reductions paid for by the GCF. Payments will be recorded in the UNFCCC web portal and Indonesia's website, and corresponding results will no longer be eligible for RBPs under the GCF or in any other arrangement. Countries can consider, at their own discretion, to use the emission reductions towards achievement of their NDCs. The Government of Indonesia has chosen to not use the emission reductions paid for by the GCF towards the achievement of its NDC. **Such emissions reductions will not be transferred and/or used for any other purposes (e.g. offsetting).**

The REDD+ results offered by the Government of Indonesia to the GCF for payments amount to about 19% of the total volume of results in the period 2014-2016, as calculated against the FREL for 1993-2012. As it is the case with all countries that offer a certain percentage of their emission reductions (ERs) calculated against a national FREL to the GCF, it is not possible to determine which portion of the results are covered by the offered volume. There is no spatial or other delimitation to trace back the 27 Mt CO2e of emission reductions offered. The land areas where these emission reductions were achieved are all found within the PAA/WPK, which includes the following Islands and group Islands: Java, Bali and Nusra, Maluku, Sulawesi, Borneo, Sumatra and Papua, with a total area of 96.59 million hectares. There is a certain level of clarity as to which types of areas and forests are covered, however there is no breakdown on which results correspond to which areas, neither to which legal status of land (state or private) nor to which detailed rights and obligations or license holders applicable for the relevant land.

In national programs such as Indonesia´s REDD+ programme, the title to emission reductions may be shown through a general reference to existing legal and regulatory frameworks. The consequence is that Indonesia's title to ER at this point in time is of a general nature, deriving from laws and regulations.

Ministry of Finance is the entity with the authority to receive, distribute and manage REDD+ RBP. The authority comes from Article 17 Ministry of Environment and Forestry Regulation No 70 of 2017 on Procedure of REDD+ (REIP 2017). The management of REDD+ fund (including from RBP) is conducted by the BPDLH as the unit that has the authority to manage environmental funds (article 17 REIP 2017). BPDLH as mentioned above is the unit that is established by and is part of the Ministry of Finance (Article 1 Ministry of Finance Regulation No 137/PMK.01/2019 on Organization and Administration of BPDLH and Article 8 (2) of Presidential Regulation No. 77 of 2018 on Management of Environmental Funds).

The main regulation in Indonesia for results-based payments for emission reductions from REDD+ is the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P. 70 / 12/2017 about Implementation Procedures for Reducing Emissions from Deforestation and Forest Degradation, Role of Conservation, Sustainable Management of Forest and Enhancement of Forest Carbon Stocks ('Regulation REIP 2017'). It sets out the rules related to the implementation of REDD+ including Results-Based Payment ('RBP'). RBPs are defined as 'positive incentives or payments obtained from the results of verified emission reductions and other benefits carbon', cf definitions para 26.

On a general level, Regulation REIP 2017 states that implementation of REDD+ by RBP can be achieved at national level by the Government of Indonesia, and at the sub-national level by local government, private sector, management of forest management units and groups society, cf article 6(2). In addition, executors with legitimate work areas located in REDD+ locations can propose RBP activities, cf article 6(3). So far, no such proposals have been made.

Significant regulatory measures have been taken and progress has been made in clarifying legal status of forest emission reductions in Indonesia. However, the legal framework for forest carbon rights in Indonesia, as in many other countries, is still evolving. While Ministry of Forestry Regulation P.20/ Menhut-II/ 2012/ about Management of Forest Carbon (´Regulation No 20 2012´) as well as Regulations No P.30/Menhut-

II/200930/2009 and 36/2009 do not expressly create a right to carbon, ´forest carbon managers´ and license holders under these regulations are conferred rights to trade carbon.

The right of the Government of Indonesia to offer emission reductions for payments to the GCF can be said to derive from Regulation No 20 of 2012 and REIP 2017. It sets out the basic principles for implementing activities related to 'forest carbon management', hereunder for activities in the form of storage and / or carbon sequestration. The regulation sets out criteria for obtaining permits for forest carbon management for state owned forest that is either production forest or protected forest. According to this regulation, forest carbon managers have the right to trade forest carbon they manage, cf. article 9. Such trading right can be understood as to implicitly confer the right to forest carbon to those organizations that carry out forest carbon management, cf. article 1(6). For the establishment of forest carbon rights, the Regulation sets out three criteria for 'forest carbon management': (i) permit from the Ministry of Environment and Forestry to manage forest carbon (ii) clarity of the 'carbon manager', hereunder government, enterprises (state, regional or private owned), cooperatives or society; and (iii) area clarity, cf article 7 (1) & (2), 6 (1), 5 (a) and (b) and 3(4).

The results offered to the GCF are achieved through legislative and regulatory initiatives undertaken by the central government as the main regulator of forest carbon (including within the WPK (article 1 paragraph 7 Regulation No 20 2012) and as REDD+ implementing agency at the national level (article 6 (2) REIP 2017).

The anchor of Indonesia's forest policy is the Law of the Republic of Indonesia number 41 of 1999 regarding forestry (the Forestry Law 1999) which establishes the forests of Indonesia as assets 'controlled by the State 'for the maximum prosperity of the people', based on justice and sustainability, cf article 4(1) and article 3. The Government of Indonesia's 'forest control' is the authority to 'maintain and manage anything related to forest, forest area and forest produces', cf article 4 (2) (a). Forest area planning includes 'forest area use', cf article 12 (c) and article 11 (2). The Forestry Law makes clear that all existing laws related to forestry remain effective 'if not contradictory to this Law', cf article 82.

The two key initiatives by the Government of Indonesia and operated during the period for which results-based payments are being offered were: (i) the Instruction of the President of the Republic of Indonesia (INPRES) on the Termination of the Granting of New Permits and Perfecting Natural Primary Forest and Peatland Management (INPRES No. 10/2011, No. 6/2013, No. 8/2015, No. 6/2017 and made permanent by the recent INPRES No. 5 (August 2019) (collectively "the Moratorium") and (ii) the Social Forestry (SF) Programme based on Decree Number 83/Menlhk/Setjen/Kum.1/10/2016 on Social Forestry (2016) ("Decree No. 83 on Social Forestry").

The Moratorium terminated the granting of new permits for natural primary forests and peatland within conservation, production and protection forests. The implementation of the Moratorium in the relevant areas meant no new concessions and permits for the exploitation of forest resources in the Moratorium area. This measure led to the protection and conservation/ no conversion of the Moratorium areas and, thereby, reducing emissions. Substantial natural forest areas under the Moratorium protection are also under the protection of other laws, such as 'Conservation Areas' as designated under Law No 41/1999. This further strengthened forest conservation efforts.

The Social Forestry programme had a similar effect. The GoI has delimited an area of 12.7 million hectares to open only for social forestry. Article 4 of Ministerial Decree Number P.83 2016 on Social Forestry (Decree on Social Forestry) provides for the rules and procedures for the establishment of village forest; community forestry; community plantation forest; forestry partnership; and customary forest. The Decree on Social Forestry provides procedures for local or indigenous communities to receive forest management rights, apply for SF licenses be part of contractual Forest Partnerships together with other actors in the forestry business, cf article 1(1), article 2(1) and article 40. It grants management and access rights, but not ownership rights.

Indonesia is in the process to further clarify title and rights to its forests through the implementation of its Decree of the Ministry of Environment and Forestry of the Republic of Indonesia Number P.21/Menlhk/setjen/Kum.1/4/2019 on Adat Forest and Titled Forest ('Decree AFTF' 2019) as well as the Presidential Decree of the Republic of Indonesia Number 88 of 2017 on Completion for Conflict over Forestland (Decree CCF 2017). The process is well underway, with initiatives such as the One Map Policy being implemented. The Decree AFTF 2019 is meant to give a degree of legal certainty to holders of 'Adat forest' (ie indigenous communities forest, recognized by the Constitutional Court as private forests) and 'Titled forest' (ie private forests) in terms of the procedures to establish, verify and recognize and the rights and obligations attached to these types of forests. It also establishes the Adat forest and its indicative area map, which will be used to provide further certainty as to the title of the forest areas, cf articles 5 and 17. Furthermore, it sets out the rights of the Adat and titled forest holders such as the right to 'utilize timber forest commodities, non-timber

forest commodities and environmental services according to the forest function and statutory and regulatory provisions', cf article 16.

Decree CCF 2017 sets out the procedure for settling conflicts over forestland in stages, hereunder inventory and verification of land tenure, the establishment of settlement patterns and utilization in forest areas, the issuance of decisions and certificates of land rights, cf article 20. The decision to change the forest area boundary as the basis for the issuance of a certificate of land rights by the Minister of Environment and Forestry can be done by structuring through land consolidation, cf article 28(1) and (2). When the clarification of land rights is in place, landowner then can submit a request of permit to manage forest carbon to the Ministry of Environment and Forestry and registering their activities in SRN according to the Regulation No 20 2012 and REIP 2017.

The Law of the Republic of Indonesia number 41 of 1999 regarding forestry (Forestry Law 1999) establishes the authority of the Government of Indonesia to undertake 'forest control' which includes determining 'forest area' or 'forest area and non-forest area' and to 'maintain and stipulate legal relations' of actors within the forestry sector, cf article 4. Furthermore, it establishes principles of forestry management and planning which includes 'forest inventory taking' at national and regional level, cf articles 12 and 13. Forest inventory is conducted to 'identify and obtain complete data and information on forest resources, forest national wealth potential and environment thereof', cf article 13 (1). The result of the forest inventory taking is the 'forest area affirmation' by the Government of Indonesia, cf article 14. The forest area affirmation is meant to provide a process for designation, forest area designation, forest area boundary management, forest area mapping and forest area stipulation, cf article 15. The forest area affirmation provides 'security of law' for forest areas, thus clarifying the forest boundaries, its status, function and the different activities undertaken as part of forest management.

The right to emission reductions can also be established through licenses, hereunder the business license for utilization of carbon sequestration in production and protected forests as well as the business license for utilizing carbon storage or through contractual arrangements, for example through the forestry partnerships or other private partnerships.

Several safeguard measures have been implemented in order to avoid the establishment of competing claims to emission reductions:

1. The National Registry (SRN) (http://srn.menlhk.go.id/) has been designed in such way as to provide information and transparency on all forest carbon transactions. This way, any possible competing claim should be listed and become immediately apparent.

2. Emission reductions by any private or sub-national entity would most likely fall outside the PAA/WPK area designated for REDD-plus, and therefore are outside the calculations of REDD-plus results.

3. The Government of Indonesia has issued a circular letter (SE 3/MenLHK-PHPL/Set/Set.1/71/2017/A) on 17 July 2017, where it informed that until a Regulation on Carbon Credits and a revision to Regulation No P.30/Menhut-II/2009 are issued, there will be no new contracts or business to business transactions of carbon credits by license holders. Furthermore, existing license holders are to report to the Ministry of Environment and Forestry any plans for business to business transactions of carbon credits or on any existing contracts to this end.

Finally, if despite the existing regulation and implemented additional safeguards, competing claims were to be presented by a third party, **the Government will take full responsibility and take all necessary legal measures.**

G. Accredited entity fee and project management costs

Provide a list of the activities that are expected to be conducted using the AE fees and project management cost with corresponding costs as follows:

Accredited entity fee:

Accredited Entity Fee Request Budget			
Accredited entity: UNDP	**GCF Total Financing: 103,781,250**	**Total Proj. Financing (incl. GCF):**	**103,781,250**

Project: REDD+ Results Based Payments for 2014-2016 **Country: Indonesia** **Duration (years): 4 years**	GCF grant : **103,781,250**		Total grant:	**103,781,250**
Year:	1	2	3	4
Currency:	USD			
1. Project/Program Implementation and Supervision				
1.1 Use of Proceeds Reporting and Oversight	**4,315**	**12,043**	**14,437**	**14,999**
Overseeing the preparation of the required reports for submission to the GCF Secretariat	4,315	12,043	14,437	14,999
1.2 Environmental and social management risk and impact oversight**	**292,505**	**807,181**	**966,848**	**1,004,373**
Provide review and oversight to project implementation teams to ensure project quality and compliance with UNDP's SES and associated procedures and frameworks (SESP, ESIA, ESMP, management plans, M&E).	9,272	145,229	187,559	197,507
Provide review and oversight in addressing critical safeguard-related implementation issues, including e.g. related to grievances and/or non-compliance with UNDP's SES.	6,250	194,065	252,254	265,930
Provide review and oversight to maintenance of administrative and environmental records, especially procedures related to stakeholder engagement, FPIC and a log of complaints together with records of any measures taken to mitigate the cause of the complaints.	276,983	467,888	527,035	540,936
2. Project/Program Completion and Evaluation				
2.1 Program closure	**-**	**-**	**-**	**45,713**
Preparing project closing documents for submission to GCF Secretariat	-	-	-	36,045
Preparing the financial closure of the project for submission to GCF Secretariat	-	-	-	9,667
Other (please specify):	- -	- -	- -	- -
3 Reporting, as required under AMA & FAA				
3.1 Reporting requirements as agreed in the AMA and FAAs	**87,489**	**87,489**	**87,489**	**87,489**
	-	-	-	-
3.2 Oversight of the ownership and legal title to the ERs and actions to avoid double payment ***	**42,848**	**25,709**	**25,709**	**25,709**

Ensure GCF Volume of ERs and the REDD+ RBP paid by the GCF for those ERs are recorded in the Info Hub and host country registry Audit of the Host Country's national registry to asses if (A)GCF Volume of ERs and the REDD+ RBP paid by the GCF for those ERs remain properly recorded (B) the GCF Volume of ERs are no longer eligible for RBPs under the GCF or in any other arrangement, and (C) the Host Country will retire the GCF Volume of ERs and will not transfer or otherwise use them (e.g. offsetting);	17,139 25,709 -	- 25,709 -	- 25,709 -	- 25,709 -
Total	**427,157**	**932,421**	**1,094,482**	**1,178,283**
GRAND TOTAL				**3,632,344**
Fee Percentage				**3.5%**

The agreed fee will be disbursed to the Accredited Entity in addition to the REDD+ RBP. The Accredited Entity's fee will be disbursed in four (4) equal annual disbursements. The first instalment of the fee will be disbursed together with the disbursement of the REDD+ RBP. Table 9 below provide the AE fee disbursement schedule.

Table 9: AE fee disbursement schedule

Description	GCF Accredited Entity Fee
For Year 1 activities	908,086
For Year 2 activities	908,086
For Year 3 activities	908,086
For Year 4 activities	908,086
Total	3,632,344

Project management costs:

List of activities	Costs (USD)	Explanation/justification
Project Manager @ 100,000 USD/year for 4 years (10%)	40,000	
Administration & Finance assistant @17,045 USD/year for 4 years	68,178	
Logistics assistant @7,977 USD/year for 4 years	31,908	
Procurement associate @ 18,000 USD/year for 4 years	72,000	
Audits @ 50,000 USD * 2	100,000	
HACT Micro Assessment Service @ 15,000 USD	15,000	
Spot Check Service (8 times in 4 years) @ 6,000 USD	48,000	
Car rental for PMU staff @ 13,500 USD for 4 years	54,000	
Desktop Computers (Total)	25,000	
Printers (Total)	6,400	
Furniture (Total)	10,000	
Communication and other basic services (Total)	96,100	
Supplies (Total)	12,500	
PMU staff travel cost/month for 4 years	300,000	
DPC admin for 4 years*	97,914	
Total cost	**977,000**	

* Total Direct Project Costs (DPC) of USD 586,552 are distributed between Project Management, of which USD 97,914 is administrative costs, and Output 1, of which USD 488,638 is technical support.

H. Annexes

- No objection letter
- Term Sheet (draft)
- Social and environmental screening procedure (SESP)
- Environmental and social management framework (ESMF)
- Environmental and social report disclosure
- Appraisal meeting report
- Timetable of project implementation
- Economic analysis
- Economic analysis (excel)
- Gender assessment and action plan
- Stakeholder consultation
- Stakeholder engagement plan
- HACT assessment
- Project activities and responsibilities
- Non-carbon benefits
- Environmental and social assessment (ESA)
- Accredited Entity Fee request
- REDD+ Focal Point consent
- LOA
- Responses to GCF comments on funding proposal
- Endorsement letter from UNDP
- Responses to iTAP comments
- Recalculations of FREL and results
- Regulation, taxation and insurance
- MoEF Letter on no competing claims

No-objection letter issued by the national designated authority(ies) or focal point(s)

MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
FISCAL POLICY AGENCY

R.M. NOTOHAMIPRODJO BUILDING 2ND FLOOR JALAN DR. WAHIDIN RAYA NOMOR 1 JAKARTA 10710
TELEPHONE (+62 21) 3441484; FACSIMILE (+62 21) 3848049; WEBSITE www.fiskal.depkeu.go.id

Ref. : S-3 /KF/2020

8 January 2020

Mr. Yannick Glemarec
Executive Director
Secretariat of the Green Climate Fund
175, Art center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Subject: Annulment of No-Objection Letter (NOL) – S-211/KF/2019

Dear Mr. Glemarec,

We refer to Indonesia's NOL for the project "Indonesia's REDD-plus results-based payments (RBP) for results period 2014-2017", reference number S-211/KF/2019, dated 28 November 2019.

The undersigned is the Acting Chairman of Fiscal Policy Agency, Ministry of Finance of Indonesia as the National Designated Authority of Indonesia.

We would like to express our intention to annul the abovementioned Letter due to inaccuracies within the document. Accompanying this letter, we hereby send to you the revised version of the NOL. Accordingly, we kindly request that you ignore and/or dispose the previous NOL and accept the revised Letter as the correct document.

This revision does not imply, nor should it be inferred as, any change in our decision regarding our no-objection towards the project proposal.

Thank you for your kind understanding and continued cooperation.

Yours faithfully,

Arif Baharudin
Acting Chairman

KEMENTERIAN KEUANGAN REPUBLIK INDONESIA

BADAN KEBIJAKAN FISKAL

GEDUNG R.M. NOTOHAMIPRODJO LANTAI 2 JL. DR. WAHIDIN RAYA NOMOR 1 JAKARTA 10710
TELEPON (021) 3441484; FAKSIMILE (021) 3848049; WEBSITE www.fiskal.depkeu.go.id

DIKETIK OLEH : Merryn Ester Augina
DIBACA OLEH : Dudi Rulliadi
DIPERIKSA OLEH : Adi Budiarso
DIKIRIM PADA TANGGAL :

DIAJUKAN KEMBALI PADA TANGGAL : -

HAL : Revision of No-Objection Letter (NOL) - Funding Proposal for the GCF by the UNDP Regarding Indonesia's REDD-plus Results-Based Payments (RBP) for Results Period 2014-2017	**No. Agenda :** 01-010

NOMOR : S - 34/KF.6/2020
NOTA :

JAKARTA, 8 Januari 2020

Memperhatikan:

Direktur Eksekutif GCF

Ketua Kelompok Analis Kebijakan KSIPPI

Dudi

Dudi Rulliadi

Terlebih Dahulu :
Kepala Pusat Kebijakan Pembiayaan
Perubahan Iklim dan Multilateral

Adi Budiarso

Ditetapkan :
Plt. Kepala Badan Kebijakan Fiskal

Arif Baharudin

Kp: KF.6/AK/2020

MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
FISCAL POLICY AGENCY

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Ref. : S-4 /KF/2020

8 January 2020

Mr. Yannick Glemarec
Executive Director
Secretariat of the Green Climate Fund
175, Art center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Subject: Revision of No-Objection Letter (NOL) - Funding Proposal for the GCF by the UNDP Regarding Indonesia's REDD-plus Results-Based Payment (RBP) for Results Period 2014-2017

Dear Mr. Glemarec,

We refer to the project Indonesia's REDD-plus results-based payment (RBP) for results period 2014-2017 as included in the Funding Proposal (FP) submitted by the United Nations Development Programme (UNDP) to us on 30 October 2019.

The undersigned is the Acting Chairman of Fiscal Policy Agency, Ministry of Finance of Indonesia as the National Designated Authority of Indonesia.

Pursuant to GCF decision B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the project as included in the FP.

By communicating our no-objection, it is implied that:

(a) The government of Indonesia has no-objection to the project as included in the FP;
(b) The project as included in the FP is in conformity with Indonesia's national priority, strategies and plan;
(c) In accordance with the GCF's environmental and social safeguards, the project as included in the FP is in conformity with relevant national laws and regulation.

We also confirm that our national process for ascertaining no-objection to the project Indonesia's REDD-plus RBP FP has been duly followed.

We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the project.

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Arif Baharudin
Acting Chairman

MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
FISCAL POLICY AGENCY

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TELEPHONE (+62 21) 3441484; FACSIMILE (+62 21) 3848049; WEBSITE www.fiskal.depkeu.go.id

Ref. : S- 211 /KF/2019

28 November 2019

Mr. Yannick Glemarec
Executive Director
Secretariat of the Green Climate Fund
175, Art center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Subject: Indonesia's GCF REDD-plus results-based payments (RBP) funding proposal for results period 2014-2017 by UNDP

Dear Mr. Glemarec,

We refer to the project Indonesia's GCF REDD-plus results-based payments (RBP) funding proposal for results period 2014-2017 by UNDP as included in the Funding Proposal (FP) submitted by UNDP to us on 30 October 2019.

The undersigned is the Acting Chairman of Fiscal Policy Agency, Ministry of Finance of Indonesia as the National Designated Authority of Indonesia.

Pursuant to GCF decision B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the project as included in the Funding Proposal.

By communicating our no-objection, it is implied that:

(a) The government of Indonesia has no-objection to the Project Preparation Facility as included in the PPF proposal;
(b) The PPF Proposal is in conformity with Indonesia's national priorities, strategies and plans;
(c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF proposal is in conformity with relevant national laws and regulations;

We also confirm that our national process for ascertaining no-objection to Indonesia's GCF REDD-plus RBP FP has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Yours faithfully,

Arif Baharudin
Acting Chairman

KEMENTERIAN KEUANGAN REPUBLIK INDONESIA

BADAN KEBIJAKAN FISKAL

GEDUNG R.M. NOTOHAMIPRODJO LANTAI 2 JL. DR. WAHIDIN RAYA NOMOR 1 JAKARTA 10710
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DIKETIK OLEH : Merryn Ester Augina
DIBACA OLEH : Dudi Rulliadi
DIPERIKSA OLEH : Adi Budiarso
DIKIRIM PADA TANGGAL :

DIAJUKAN KEMBALI PADA TANGGAL : -

HAL :	**No. Agenda :**
Annulment of No-Objection Letter (NOL) – S-211/KF/2019	01-011

NOMOR : S - 3 /KF.6/2020
NOTA :

JAKARTA, 8 Januari 2020

Memperhatikan:

Direktur Eksekutif GCF

Ketua Kelompok Analis Kebijakan KSIPPI

Dudi

Dudi Rulliadi

Terlebih Dahulu :
Kepala Pusat Kebijakan Pembiayaan
Perubahan Iklim dan Multilateral

Adi Budiarso

Ditetapkan :
Plt. Kepala Badan Kebijakan Fiskal

Arif Baharudin

Kp: KF.6/AK/2019

Environmental and social safeguards report form pursuant to para. 17 of the IDP

Basic project or programme information	
Project or programme title	Indonesia REDD-plus RBP for results period 2014-2016
Existence of subproject(s) to be identified after GCF Board approval	No
Sector (public or private)	Public
Accredited entity	United Nations Development Programme (UNDP)
Environmental and social safeguards (ESS) category	Category B
Location – specific location(s) of project or target country or location(s) of programme	Indonesia
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on accredited entity's website	Wednesday, May 20, 2020
Language(s) of disclosure	English and Bahasa Indonesia
Explanation on language	Bahasa Indonesia is the official language of Indonesia.
Link to disclosure	English: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Annex%20VI_b_%20ESMF%20Environmental%20and%20Social%20Management%20Framework.pdf Bahasa Indonesia:

	https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Lampiran%20VI_b_ESMF%20Kerangka%20Kerja%20Manajemen%20Lingkungan%20dan%20Sosial.pdf
Other link(s)	UNDP Indonesia website: https://www.id.undp.org/content/indonesia/en/home/library/environment_energy/ESS-Disclosure.html Ministry of Finance website: English: https://djpb.kemenkeu.go.id/portal/id/component/content/article.html?id=3311 Bahasa Indonesia: http://www.djpbn.kemenkeu.go.id/portal/id/berita/lainnya/pengumuman/3310-kerangka-blu-bpdlh.html English: https://djpb.kemenkeu.go.id/portal/images/2020/05/20/kerangka-kerja-blu-bpdlh-e.pdf Bahasa Indonesia: http://www.djpbn.kemenkeu.go.id/portal/images/2020/05/20/kerangka-kerja-blu-bpdlh.pdf
Remarks	The ToR for the ESIA, consistent with the requirements for a category B project, is included in the "Environmental and Social Management Framework".
Environmental and Social Management Plan (ESMP) (if applicable)	
Date of disclosure on accredited entity's website	Wednesday, May 20, 2020
Language(s) of disclosure	English and Bahasa Indonesia
Explanation on language	Bahasa Indonesia is the official language of Indonesia.
Link to disclosure	English: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Annex%20VI_b_%20ESMF%20Environmental%20and%20Social%20Management%20Framework.pdf Bahasa Indonesia: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Lampiran%20VI_b_ESMF%20Kerangka%20Kerja%20Manajemen%20Lingkungan%20dan%20Sosial.pdf
Other link(s)	Ministry of Finance website: English: https://djpb.kemenkeu.go.id/portal/images/2020/05/20/kerangka-kerja-blu-bpdlh-e.pdf Bahasa Indonesia:

	http://www.djpbn.kemenkeu.go.id/portal/images/2020/05/20/kerangka-kerja-blu-bpdlh.pdf
Remarks	An ESMP consistent with the requirements for a category B project is contained in the "Environmental and Social Management Framework".
Environmental and Social Management (ESMS) (if applicable)	
Date of disclosure on accredited entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Any other relevant ESS reports, e.g. Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF), Indigenous Peoples Plan (IPP), IPP Framework (if applicable)	
Description of report/disclosure on accredited entity's website	Wednesday, May 20, 2020
Language(s) of disclosure	English and Bahasa Indonesia
Explanation on language	Bahasa Indonesia is the official language of Indonesia.
Link to disclosure	Social and Environmental Screening Procedure (SESP): English: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Annex%20VI%20_a_%20SESP%20Social%20and%20Environmental%20Screening%20Procedure.pdf Bahasa Indonesia: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Lampiran%20VI_a_SESP%20Prosedur%20Penapisan%20Lingkungan%20dan%20Sosial.pdf Environmental and Social Assessment (ESA): English: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Annex%20XIII_i_%20ESA%20Environmental%20and%20Social%20Assessment.pdf Bahasa Indonesia: https://www.undp.org/content/dam/indonesia/2020/DOCS/INS-Lampiran%20XIII_i_ESA%20Penilaian%20Lingkungan%20dan%20Sosial.pdf
Other link(s)	Ministry of Finance website:

	SESP: English: https://djpb.kemenkeu.go.id/portal/images/2020/05/20/prosedur-penapisan-blu-bpdlh-e.pdf Bahasa Indonesia: http://www.djpbn.kemenkeu.go.id/portal/images/2020/05/20/prosedur-penapisan-blu-bpdlh.pdf ESA: English: https://djpb.kemenkeu.go.id/portal/images/2020/05/20/penilaian-lingkungan-blu-bpdlh-e.pdf Bahasa Indonesia: http://www.djpbn.kemenkeu.go.id/portal/images/2020/05/20/penilaian-lingkungan-blu-bpdlh.pdf
Remarks	Description of other documents disclosed: 1. SESP, and 2. ESA. The ESA provides the assessment by UNDP on the extent to which the REDD+ actions and the relevant policies, laws and regulations for which the results-based payments are requested were consistent with the applicable ESS standards. The SESP is a UNDP document that is used to identify social and environmental risks and mitigation measures. It does not replace or conflict with GCF ESS requirements and policies.
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Wednesday, May 20, 2020
Place	The links to the English and Bahasa Indonesia versions have been shared with the National Designated Authority, Ministry of Finance, and Ministry of Environment and Forestry.
Date of Board meeting in which the FP is intended to be considered	
Date of accredited entity's Board meeting	N/A
Date of GCF's Board meeting	Tuesday, June 23, 2020

Note: This form was prepared by the accredited entity stated above.

Secretariat's assessment of FP130

Proposal name:	Indonesia REDD-plus RBP for results period 2014-2016
Accredited entity:	United Nations Development Programme (UNDP)
Country(/ies):	Indonesia
Project/programme size:	Medium

I. Overall assessment of the Secretariat

1.1 Project background

1. The project presents Indonesia's REDD-plus results for the period 2014–2016, calculating a volume of around 27 million tonnes of carbon dioxide equivalent (tCO_2eq) in emission reductions from reducing emissions from deforestation have been offered to the GCF. The reported emission reductions have undergone technical assessment

2. These results are presented to GCF for a results-based payment (RBP) under the REDD-plus RBP pilot programme and are fully compliant with the eligibility criteria set out in the terms of reference (TOR) for the pilot programme (decision B.18/07). The presented results, which comply with UNFCCC standards and the GCF TOR, have been analysed based on the scorecard and are presented in the annex to this assessment.

3. Indonesia will use the proceeds from the RBP to invest in the implementation of its National REDD+ Strategy (STRANAS), which is fully aligned with its nationally determined contribution (NDC). STRANAS is complemented by the REDD+ Provincial Strategy and Action Plans in the chosen pilot provinces. The proposed RBP project will focus on the following outputs:

(a) Output 1: Strengthening REDD-plus coordination and implementation and overall REDD-plus architecture; and

(b) Output 2: Support to decentralized sustainable forest governance.

Scorecard results

Table 1: Scorecard results (see annex for details)

Scorecard section		Results	
Carbon elements		Score: 36	All criteria "pass"
Non-carbon elements	Cancun Safeguards	All criteria "pass"	
	Use of proceeds and non-carbon benefits	Score: 2	
GCF investment framework		All criteria "high"	
GCF policies		All criteria "pass"	

1.2 Proposed payments

4. In line with the procedure defined in the TOR, the following equation was applied to estimate the volume of results to be translated into payments:

$$\text{Volume of ERs offered (x) } \frac{\text{total score achieved}}{\text{Maximum score}} = \text{GCF volume of ERs}$$

5. The resulting GCF volume of results and the proposed amount for payments that the Republic of Indonesia is eligible for are provided in table 2 below:

Table 2: Resulting GCF volume of results and the proposed amount for payments

Values	Results
Volume of ERs offered: 27 million tCO_2eq Total score achieved: 36 Maximum score: 48 Valuation of results: USD 5/tCO_2eq Non-carbon benefits score: 2	GCF volume of ERs: 20,250,000 tCO_2eq Additional 2.5% of payments for non-carbon benefits
	Proposed results-based payments: USD 103,781,250

Abbreviations: tCO_2eq = tonnes of carbon dioxide equivalent; ER = emission reduction.

1.3 Strengths and points of caution

6. The funding proposal is presented to the Board for consideration with the following remarks.

Strengths	Points of clarification
Indonesia's initiatives operating during the results-based payments period are consistent with the best practices of forest programming with far-reaching non-carbon benefits. As well as the National REDD+ Strategy (STRANAS), the proposal highlights measures to improve data transparency via the One Map Policy and local forest governance via forest management units	Strategic use of funds for Indonesia's forestry programmes is crucial, especially given competing land uses. The proposal can set a very transformative course for the forestry sector in Indonesia
The proposed use of proceeds aims to augment current efforts on forest governance, working with key agencies at the national, provincial and local levels. It builds on previous efforts on REDD-plus	

8. The Board may wish to consider approving this funding proposal with the terms and conditions listed in the respective term sheet and addendum XVIII, titled "List of proposed conditions and recommendations".

II. Assessment performance against the investment criteria

2.1 Impact potential *Scale: High*

9. Indonesia has developed several policies, programmes and projects under the policy umbrella of STRANAS. These efforts and interventions in the forest sector have resulted in emission reductions of 244,892,137 tCO_2eq between 2014 and 2016. Indonesia has not received payments for REDD-plus results for the period 2014–2016 from any other source. The total volume of emission reductions achieved by Indonesia in this period, including those proposed under the REDD-plus RBP pilot programme, are included in the technical annex to the biennial update report submitted to the UNFCCC. Indonesia offers 27 million tCO_2eq of these to the GCF for RBP.

10. These results were technically assessed in accordance with the Conference of the Parties decisions on REDD-plus. The achievement of these past results contributed directly to GCF objectives and targets in the forest and land-use results area and, through the use of the RBP proceeds, will lead to an ongoing reduction of emissions from deforestation and will help to leverage finance to continue the Government's efforts to reduce deforestation.

11. The proposed use of proceeds intends to further support the main interventions applied during the REDD-plus RBP pilot programme, focusing on enhanced monitoring and implementation of REDD-plus related efforts and decentralizing forest governance through the operationalization of the forest management units.

2.2 Paradigm shift potential *Scale: High*

12. Indonesia's transformative strategy document, STRANAS, aims to help the country manage its forests in the best and most sustainable way. There are two major initiatives that have helped Indonesia cope with deforestation, namely the "Moratorium termination of the granting of new permits and perfecting natural primary forest and peatland management" (hereinafter referred to as the "moratorium"); and the social forestry programme.

13. The use of the proceeds from REDD-plus RBPs is innovative and strategic because it aims to support forest management units and social forestry programmes at the decentralized level. In addition, the United Nations Development Programme (UNDP), which is the accredited entity (AE), has chosen to use Performance Based Payments (a new modality the AE has engaged in recently) as an incentive to provide the RBPs to the Government of Indonesia. Further, the project strengthens the already important work carried out regarding decentralization of the management regime for forests and involves communities, acknowledging their important role. Other innovative components include further support to social forestry groups, a safeguarding information system and the improvement of forest monitoring.

2.3 Sustainable development potential *Scale: High*

14. REDD-plus investments and initiatives in Indonesia have contributed towards sustainable development by promoting non-carbon benefits relevant to Sustainable Development Goals 1, 5, 13 and 15. In particular, the various ecosystem services provided by

forests are essential for providing the key regulating services needed for basic livelihoods in Indonesia, contributing to poverty reduction. The conservation of Indonesia's forests directly supports biodiversity preservation and enhanced soil and water management through improved sustainable forest management.

15. STRANAS especially highlights the involvement of local communities, especially *Adat* (indigenous) peoples, in the protection of the country's forests. This has co-benefits relating to cultural identity and social cohesion. The proposed use of funds further supports the enabling environment by contributing to the formal recognition of local communities' access rights to forest resources.

2.4 Needs of the recipient *Scale: High*

16. Local communities, especially indigenous peoples, are important stakeholders in the REDD-plus investments proposed for the proceeds of the RBP. Through the protection and conservation of Indonesia's forests, the economic and social needs of local populations are targeted at the ecosystem level (e.g. via the regulation of soil erosion, carbon sequestration and water storage) in order to provide the foundation for livelihood diversification. Indeed, 74 per cent of Indonesia's impoverished populations depend on these ecosystem services for their basic livelihoods. REDD-plus interventions also have a positive impact on crucial needs such as improvements in the forest fire management system and peatland management.

17. The proposed use of proceeds aims to enhance the implementation of REDD-plus in Indonesia and support the operationalization of decentralized forest governance. Overall domestic funding is limited, given the scale of ambition required to protect Indonesia's forests. Continuing the efforts to increase capacity-building, policy reform and concrete forestry investments will require the creation or development of institutions to support more sustainable interventions. GCF funding would be used to support a more robust REDD-plus architecture and decentralized forest governance, especially increasing the role of communities in forest management which is grounded on a human-rights approach, especially on the right of participation, land ownership, self-selection, and consultation.

2.5 Country ownership *Scale: High*

18. The proposed project and use of funds are fully aligned with national policies and strategies and NDC priorities. Indonesia's NDC highlights the importance of REDD-plus and the need to mainstream REDD-plus in national and local policies and institutions. This is reflected in key development plans such as Indonesia's National Medium-Term Development Plan.

19. UNDP has a strong track record in REDD-plus activities. It has considerable experience of working in forestry, climate change and biodiversity issues in Indonesia.

20. The executing entity, the Ministry of Finance (MoF) has very solid knowledge and experience in implementing projects of a similar nature.

21. Indonesia has continuously invested in REDD-plus efforts throughout the years since the introduction of the concept. Anchored by the Forestry Law (Law No. 41, 1999), several policies, new resources and renewed focal agencies have been created and supported by Indonesia, underpinned by a broad stakeholder approach which emphasizes community participation in forestry governance. As evidenced by the project board and technical committee, the proposal intends to use the proceeds of RBP to work with relevant stakeholders at the national, subnational (provincial) and community levels to ensure accountability and appropriate consultation, as mandated by law. Although there have been concerns regarding the extent of

free, prior and informed consent of the *Adat* communities, the baseline for participation is that it remains voluntary and participatory in implementation.

2.6 Efficiency and effectiveness *Scale: High*

22. The REDD-plus results for 2014–2016 presented to GCF and the suggested budget clearly highlight that a fixed price of USD 5 per tCO_2eq will be applied to the project, which is cost-effective and in accordance with the TOR of the RBP pilot programme. The proposed use of proceeds, as discussed in the previous sections, is an innovative and transformative reinvestment into Indonesia's forestry sector.

23. The preservation and conservation of forests, resulting in improved ecosystem systems, is cost-effective because it translates the RBP into solid benefit streams which are needed to sustain Indonesia's economy and local communities' resilience and livelihoods.

III. Assessment of consistency with GCF safeguards and policies

3.1 Environmental and social safeguards

24. The Government of Indonesian and UNDP, which is the AE, have submitted a proposal for payment of REDD-plus results on the basis of actions undertaken from 2014 to 2016 as part of Indonesia's REDD+ National Strategy, focusing on two REDD-plus initiatives: (1) the social forestry programme and (2) the moratorium.

25. To meet the requirements of the GCF REDD-plus RBPs programme, the AE completed an environmental and social assessment (ESA) that retroactively reviews actions for which RBPs are sought in order to determine whether the actions were undertaken in a manner consistent with the GCF environmental and social safeguards (ESS) standards. The AE has reviewed the consistency of both initiatives against the UNDP Social and Environmental Standards (SES), with a focus on their alignment with the Cancun Safeguards and the application of the Cancun Safeguards through established policies, laws and regulations (PLRs) in Indonesia – the lens through which the Government of Indonesia defined its REDD-plus safeguards approach, its first "Summary of Information", and developed its safeguards information system (SIS) for tracking and reporting on safeguards requirements.

26. The AE also provided a detailed environmental and social management framework (ESMF) that describes the due diligence and management of the identified risks and impacts. The framework has 11 annexes: the AE screening procedures for the RBP project; indicative outlines for an environmental impact and social assessment; the environmental and social management plan; the biodiversity action plan; the *Adat* communities plan; the livelihoods action plan; a sample TOR for a project-level grievance redress mechanism (GRM) and guidance for submitting a grievance to the GRM of the AE; guidance and an indicative outline for a stakeholder engagement plan; considerations for the elaboration of social forestry; licenses and partnership agreements; and recommendations and mitigation measures divided by operational themes.

3.1.1. Consistency of the design and implementation of REDD-plus activities with the Cancun Safeguards, the AE SES and GCF ESS

27. The UNDP social and environmental screening procedure (SESP) was used to identify potential social and environmental risks and determine the risk category of the RBP project. The SESP is a UNDP-required screening tool that covers the AE thematic safeguards issues and the UNDP SES principles of (1) human rights (encompassing risks and benefits related to

indigenous peoples, property and land; tenure, benefits sharing, access to information, and grievance redress); (2) gender equality and women's empowerment; and (3) environmental sustainability.

28. On the basis of the SESP, the AE determined the RBP project's overall risk category as moderate. Identified risks are described and analysed throughout the ESA report and the ESMF, and are captured in a comprehensive manner in the ESMF the recommendations and mitigation measures matrix.

29. The social forestry programme and the moratorium were two key initiatives operating in Indonesia during the 2014–2016 period. According to the AE, each contributed to emission reductions while striving for consistency and complementarity of REDD-plus actions in Indonesia with existing national forest programmes and applicable international conventions and agreements. The ESA document provides an analysis of information related to these initiatives focused on implementation and what happened in practice to demonstrate how the Government of Indonesia addressed and respected the Cancun Safeguards for both programmes. The ESA concludes that the initiatives to achieve the REDD-plus outcomes for 2014–2016 aligned with most of the principles and standards of the UNDP SES (and consequently the Cancun Safeguards). However, civil society and, in large part, the Government of Indonesia, have highlighted that these two initiatives have not yet met their stated goals and targets and more work needs to be done. Documenting the progressive improvements in implementation that have occurred, and observing that the continued multi-stakeholder support for both of these initiatives remains strong, the ESA review concludes that these initiatives warrant the latitude needed for all parties to keep improving the project's delivery and alignment with applicable social and environmental standards. It also notes that following the 2014–2016 review period, the Government of Indonesia further increased its support for both initiatives by adopting new PLRs, commitments of resources and outreach to stakeholders. The AE expects that, through the RBP project, these measures will continue and new ones will be pursued – helping to further avoid and mitigate potential harm while increasing benefits to people and the environment.

30. The AE considers the RBP project to be an opportunity for a paradigm shift that will advance the sustainable development and carbon-reduction goals set by the Government of Indonesia. For example, while acknowledging that the country is far from achieving the full enabling environment required to meet the desired targets on the social forestry programme, the AE notes that Indonesia's efforts in relation to this initiative provided a key pathway for continued progress and consistency with applicable safeguard policies. Through the RBP project, the AE envisions systemic change at the local, national and international level, and additional social, economic and environmental co-benefits of the project. Such benefits would include protection of forests through participatory management, protection of biodiversity, and protection of the rights of indigenous peoples and other collectives (including rights to their ancestral and cultural heritage sites). The project seeks to limit and reduce greenhouse gas emissions through developing and implementing forest management plans involving relevant village, local community and *Adat* community stakeholders.

31. The ESA is well researched and comprehensive in its analysis in terms of both the alignment between the country's PLRs and the REDD-plus safeguards, and the alignment of the AE SES and the two reviewed initiatives (i.e. the social forestry programme and the moratorium). However, in some areas the ESA does not categorically establish full alignment between the PLRs, the SES and the REDD-plus safeguards. Instead, it describes "substantial alignment", noting that the initiatives considered in the ESA have yet to meet their stated goals and targets. In the ESA the AE takes a view that, in the future, the ESMF will make it possible for the country's PLRs to be applied in full alignment with the required safeguards. The AE considers this to be a progressive realization and stepwise approach to full compliance with the requirements of the various safeguards. The AE sees the "transparent and honest assessment of

national PLR frameworks" of the ESA as a promotion of safeguard compliance through the resulting design of responsive project activities, and avoidance and mitigation measures, while reducing future grievances.

32. The assessment leaves some questions as to how rights holders are identified, how benefits are determined and delivered to forest stakeholders, and consistency of Indonesian laws governing *Adat* recognition and rights generally. The AE notes that Ministerial Decree No. 83 involves the identification of target beneficiary groups, including customary communities, villages, and indigenous (*Adat*) communities, and specifies the information that must be included in applications to become a licensee or permit holder, as well as the procedure for processing applications. In addition to Decree No. 83, the AE envisions further accurate and accountable recognition of beneficiaries and rights holders (in the context of the social forestry programme) as proposed in RBP activity 2.2, which will establish multi-stakeholder verification teams that include *Adat* experts, communities, non-government organizations and relevant government officials.

33. Regarding the absence of Indonesian laws specifically on the rights and recognition of *Adat* communities, the AE notes that official *Adat* recognition is not a precondition for securing benefits from the initiatives, and the AE concludes that the absence of *Adat* recognition should not hinder involvement in the RBP programme. More broadly, while there is no law exclusively on *Adat* rights, the AE notes that *Adat* communities' rights (including to their lands) are nonetheless recognized in various Indonesian laws. Until a comprehensive law on *Adat* rights is adopted, the AE notes that *Adat* rights are enshrined in current PLRs and in the application of international laws, and that the AE SES provide increased protection (and requirements) for RBP project activities.

34. Regarding stakeholder engagement, the ESA describes strong stakeholder consultation and engagement related to Indonesia's REDD-plus activities, reflecting previous efforts by the government and stakeholders in developing its national REDD-plus strategy (STRANAS) which involved more than 300 experts representing 200 organizations; a four-year multi-stakeholder process to develop the REDD-plus safeguards implementation; and the "Safeguards Implementation Tool and Assessment Procedures for using Safeguards Implementation (APPS)" – which is conducted by stakeholders at the site level through a self-assessment process. Two other initiatives the ESA determined to be "participatory and inclusive" are the development of (1) the national forest reference emission level for deforestation, and (2) the NDC. The ESA shows that both initiatives were responsive to stakeholder calls for participatory forest management and the prohibition on concession areas key to carbon storage.

35. Regarding grievance redress, the ESA describes the national grievance mechanisms that were available to those impacted by REDD-plus activities during the review period, but concludes that a project-level grievance mechanism will need to be developed for the RBP project. It notes that the project-level mechanism should not necessitate inventing a new system unrelated to the national GRMs, but must ensure that potential claimants can access existing national GRMs through local/project level personnel and systems. The ESMF addresses these findings, and provides detailed recommendations for refining the national GRM and developing the required project-level mechanism. It also recommends additional measures aimed at avoiding conflicts and resolving disputes.

3.1.2. Environmental and social due diligence for the use of proceeds

36. **Environmental and social risk category and safeguard instruments prepared for the project**. The ESMF was prepared as the main safeguards document for the project. As already noted (see paras. 27–28 above), the project has been screened against the UNDP SES using the AE SESP, and deemed to be moderate risk. This categorization was based on the AE finding regarding the nature of the proposed activities – characterized mostly as capacity

development, institutional strengthening, and tools and process development. Activities that may have physical aspects and footprints are considered community-based and designed to improve forest resources management. The review by the Secretariat confirms the Category B classification of the activities that will use the proceeds.

37. For RBP activities that the AE has identified with a reasonable degree of certainty, the ESMF includes indicative outlines of management plans required for addressing likely social and environmental impacts and the requirements of applicable policies and standards, including the SES. These plans are to be finalized and periodically reviewed by the environmental impact and social assessment consultant, who will be retained upon project approval. To accommodate new activities that are yet to be defined, as well as new or unexpected circumstances that arise throughout the project's lifespan, the AE has a separate risk screening procedure, and any activities with potential risks and impacts will be managed and mitigated in accordance with applicable safeguard standards, or all together eliminated from consideration.

38. **Key impacts and mitigation measures**. The ESMF contains extensive information about the project, the legal and policy basis of due diligence, the high-level risks and impacts expected to be generated (directly or indirectly) by the project, institutional arrangements, and the various plans that will be developed. The framework was developed with the aim of providing a detailed risk assessment tool and set of mitigation measures to capture most if not all of the risks that might accompany the known activities, and a roadmap for ensuring those activities are compliant and implementable.

39. As noted previously, the AE screening procedure will always need to be applied for new activities that may be specified in the future. If necessary, on the basis of those new screenings, the project will need to be updated to determine where additional social and environmental impacts may exist and whether they require additional assessment and treatment in management plans. New activities may not proceed until such an assessment has been conducted and appropriate management measures are in place. Activities categorized as high risk would need to be redesigned to eliminate or minimize risk, or be excluded from the project.

40. **Indigenous peoples**. Some of the activities may have adverse impacts on affected indigenous peoples, such as restriction of access to lands under customary use, loss of livelihoods and means to support their communities, lack of recognition of their land and use rights, and use of their traditional knowledge systems and heritage. Such adverse impacts can lead to further impoverishment owing to indigenous peoples' high dependency on the land and natural resources. The ESMF proposes to manage these impacts, in particular by including an indicative outline of the *Adat* communities plan provided in annex 7 of the ESMF. The AE is recommended to include GCF standards, including the GCF Indigenous Peoples Policy within the project's policy frameworks.

41. **Risks regarding displacement of *Adat* communities**. Although the ESMF determined that the risk is low for physical displacement/forced eviction of indigenous communities, it did indicate a higher potential risk of partial or whole economic replacement. The ESMF therefore includes mitigation measures to address such displacement; namely, an indicative outline of the *Adat* communities plan (annex 7) and the livelihoods action plan (annex 8). Regarding concerns involving physical displacement, as determined by the environmental impact and social assessment, the AE notes that a resettlement action plan would be developed through a participatory process.

42. **Capacity of executing entities**. Implementation arrangements will follow the AE national implementation modality, in accordance with UNDP rules and regulations and the country programme. UNDP is responsible for assuring the project complies with its SES; that all country staff are trained in the requirements of the SES, the ESMF measures, and GCF safeguards and reporting requirements; and for training project management unit staff and

other project staff. The AE is also responsible for any additional training and capacity-building for project personnel to ensure implementation of management plans.

43. **Monitoring and evaluation**. The ESMF lays out the project's monitoring and evaluation approach, which will be based on a set of performance principles, criteria and indicators (PC&Is) developed in 2011 through a multi-stakeholder process for REDD-plus programming. The AE notes that these PC&Is are a starting point to be used in conjunction with the Government of Indonesia's Safeguards Implementation Tool (APPs), and has provided examples of documents and proof of implementation for each PC&I. Monitoring and evaluation will be informed by the Indonesian SIS, which relies on the collection, transmission, analysis and validation of information from the subnational to the national level on how safeguards are managed and addressed during the implementation of REDD-plus activities. As well as informing the SIS, the findings from monitoring and assessments will be fed directly to the Ministry, the project board and the project management unit so that decisions can be taken in real time, and project activities can be modified as needed to ensure safeguards compliance. The AE notes that, due to the iterative and ongoing nature of screening, assessments and risk management, the project board and the project management unit will be required to regularly review management plans and develop amendments where necessary.

44. **Stakeholder engagement**. The AE provided a comprehensive review of stakeholder engagement activities undertaken during the review period (as described above), as well as plans and requirements for ongoing stakeholder engagement and information disclosure during project implementation. Indicative outlines for a stakeholder engagement plan and an *Adat* communities plan include assurances and protocols for good-faith consultation and free, prior and informed consent requirements – including consent. A number of the recommendations and mitigation measures in the ESMF include strategies and approaches for carrying out meaningful engagement, consultation, consent and information disclosure processes. The engagement plan consists of a scaled approach to stakeholder engagement activities – either simplified or comprehensive, dependent upon a range of project-specific factors. All such plans, whether simplified or comprehensive, commit to addressing a set of basic minimum criteria which are included in a checklist of key issues and questions pertinent to any engagement activity.

45. **Grievance redress mechanism**. The ESMF contains detailed information on the development of a project-level GRM describing the procedures for project-affected people to register, elevate and resolve grievances, and for disclosure, feedback and closure of complaints. A sample TOR is provided in the ESMF that lays out the mandate, structure, composition and overall management of a responsive and transparent mechanism to be developed upon project approval, with stakeholder input. Until that time, the AE notes that the Government of Indonesia has an existing national GRM to which the project-level GRM will be directly linked – including its tracking system, its capacity to feed into the REDD-plus SIS, lessons learned, and real time modifications to project activities in response to the lessons learned. The GCF Indigenous Peoples Policy also states that the GCF Independent Redress Mechanism and the Secretariat's indigenous peoples focal point will be available for assistance at any stage, including before a claim has been made.

3.2 Gender policy

46. The AE has provided a gender assessment and gender action plan and therefore complies with the requirements of the Gender Policy of the GCF.

47. The AE, through the gender assessment, provides the context and indicates the country's commitment to gender equality and women's empowerment. The assessment identified a broad range of national-level gender inequalities, and challenges and risks faced by women and other marginalized groups. The challenges in Indonesia in relation to REDD-plus actions arise in

national policies and regulations, decision-making processes, agricultural production, forest use, land tenure, education and so on.

48. Indonesia has ratified and/or signed a number of key international conventions, treaties and plans of actions on gender equality, women's empowerment and human rights, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Optional Protocol for CEDAW. However, gender-related gaps in national policies and laws are still present. Indonesia continues to improve its legal frameworks, at national and local levels, particularly in terms of implementing policies and programmes that focus on the promotion and protection of the rights of women, children, people with disabilities and older people. In Indonesia, political parties are required to have a minimum of 30 per cent women candidates in parliamentary elections, although in practice representation falls significantly below this level. The National Medium-Term Development Plan includes gender equality and women's empowerment as part of its human and society and development targets.

49. Despite gaps in law and policy, the enabling environment can support progress towards gender equality in Indonesia. The gender assessment, which was based on desk reviews, indicates that there are persistent gender gaps, as well as social and cultural norms and practices that continue to limit women's access and control of resources and capital, in areas such as land and resource tenure, decision-making, inheritance, employment and education. Laws discriminating against women, include dress codes, the public segregation of men and women, and rules curtailing women's modes of travel and movement, limit women's mobility and ability to work outside the home and run for office. On paper, married and unmarried women have the same rights as men to own, use and make decisions on land and non-land assets as collateral. However, there is little awareness that title certificates for marital property can be issued in the name of both spouses. It is highly likely for women to lose their land rights upon widowhood, divorce, or desertion. In rural areas women also face barriers to accessing credit and financial services, such as limited knowledge of business development and discrimination in dealing with government staff. There is no law prohibiting discrimination by creditors based on gender in access to credit.

50. Despite the challenges, women engage in many activities contributing to their communities and households. In rural communities, women generally engage in numerous activities around forests, such as collecting firewood, harvesting non-timber forest products (e.g. honey, medicinal plants, food animal fodder) and forest protection. The impacts of forest degradation and deforestation are especially significant for women, considering that they often have a higher degree of dependence on the environment. Further, due to increasing development of commercial forestry, women experience increasing difficulties when collecting necessities such as water, food and firewood from the forests. Almost the entire forest land is owned by the State and less than two per cent of the forest area is formally designated for communities and indigenous peoples or owned by firms or individuals. Local communities can engage in forest management through mechanisms that include community forests, village forests, community timber plantations, partnerships and customary forests. These mechanisms are usually available to community groups, cooperatives and farmer forest groups that are predominantly male dominated. As such, women have limited involvement in decision-making processes related to forests and REDD-plus projects, leading to limited access to the benefits from initiatives, such as access to knowledge and capacity-building activities as well as funds and payments. The reasons for women's limited involvement in forest-related decision-making include women's heavy work, lower rates of literacy and education, and the inaccurate assumption that forest-related activities are "men's work". Similarly, women also have less access to extension support or capacity-building activities related to agriculture and forestry, because participation in these activities is usually limited to household heads or community leaders, who are mostly men. It should be noted that female-headed households make up almost 15 per cent of households in rural and urban areas. Women are rarely invited to such meetings

and hence women do not have sufficient access to information about relevant activities, projects, and so on, concerning their well-being and the forests they depend on.

51. As required by the Gender Policy of the GCF, the AE has provided a gender action plan. The gender action plan outlines activities and provides indicators and targets that will address challenges faced by women to engage and benefit from REDD-plus investments made by the proposed project/programme. The AE will engage a gender expert (or team of experts) to support the implementation of the gender action plan, and the plan also includes budget and timelines.

52. The gender action plan contains several activities that are linked to the findings of the gender assessment, including activities to further establish baselines and tailor gender-responsive environmental and social impact assessment which will provide additional gender-sensitive and sex-disaggregated baseline data, and actions at the policy, management and implementation levels. Activities included in the plan aim to integrate gender into the REDD-plus architecture by developing gender-responsive benefit sharing plans and gender-responsive grievance and redress mechanisms, by further exploring the potentials for gender-based violence occurrence in relation to project activities, and through activities geared towards the increase of land tenure security for women-headed households, among others.

53. The gender action plan aims to strengthen the capacity of REDD-plus implementation by mainstreaming gender and supporting women's groups, improving the awareness and capacity of ministries, and strengthening local forest management units. It also includes activities that mainstream gender in community investments, increasing female staffing in extension work, and builds leadership in non-formal women's groups. The action plan aims to enhance the implementation of the Social Forestry Programme by integrating gender into village and provincial planning, land use and management plans, and by increasing the role of women in decision-making through awareness and capacity-building. Finally, activities in the gender action plan will aim to improve project management by targeting women involved in the SIS REDD-plus working group and building their capacity to effectively be involved and participate in decision-making, integrating gender into the environment and social impact assessment and integrating gender fully into mid-term and final evaluations.

3.3 Risks

3.3.1. Overall programme assessment (medium risk)

54. Under the pilot programme for REDD-plus RBPs, GCF is requested to provide a payment of USD 103,781,250 for the ERs amounting to 20.25 million tCO_2eq achieved by Indonesia in the period 2014–2016. The volume of ERs for which GCF funding is sought is within 30 per cent of the total payable volume, as required under the TOR of the pilot programme.

3.3.2. Accredited entity/executing entity capability to execute the current programme (medium risk)

55. UNDP is the AE and has an extensive track record of implementing projects in developing countries. The AE is considered a reliable partner to support the REDD-plus project in Indonesia.

56. The Ministry of Environment and Forestry (MoEF) and MoF will be the co-executing entities for this project. MoEF has been a leading partner for UNDP Indonesia for decades and it will be mainly involved in Component 1 of the project. The track record of MoEF includes developing STRANAS and supporting various projects funded by different donors with a budget range of USD 9 million to 16 million in the past 3–5 years. The capacity assessment of MoEF has been carried out and its result is satisfactory according to the AE. As for the MoF, the capacity

assessment results in 'moderate' risk and AE is working with other partners to address recommendations identified during the assessment. MoF will execute Output 2, which accounts for 90 per cent of the RBP received under this project.

3.3.3. Programme-specific execution risks (medium risk)

57. **Use of proceeds.** The proceeds will be used to continue updating and strengthening REDD-plus coordination and implementation. Proceeds will also support decentralization of forest governance by establishing and operationalizing forest management units and sustainable forestry management investments. The funding proposal states that Output 2, which accounts for 90 per cent of the total budget, will be implemented through a performance-based payment mechanism. The details, such as activities, milestones or size of the performance-based payment mechanism, were not available at the time of submission of the funding proposal and these will be agreed on between the AE and the Government of Indonesia during the implementation stage. The end use is as permitted under the REDD-plus TOR.

58. **Competing for the carbon ownership**. The funding proposal states that the title to emission reductions is of a general nature, deriving from laws and regulations in Indonesia. The legal framework for forest carbon rights is still under development and the country is in the process of clarifying title and rights to its forest. The funding proposal mentions that the right to emission reductions can be established through business licences for utilization of carbon sequestration. It also suggests three safeguard measures; namely, the use of the national registry, government letters to suspend the new contracts or business transactions of carbon credits until the further revision of regulations, and the designation of the areas for the REDD-plus results. The AE needs to obtain a covenant (as advised in the REDD-plus TOR) from the Government of Indonesia to confirm that no other party has and will have a competing claim to the results proposed to the GCF for payment, in accordance with national policy and legal or regulatory framework.

59. **Risk of double payments.** The funding proposal states that Indonesia has established a national registry system to avoid double counting, by providing information and transparency on all forest carbon stocks in the country. The registry on climate change has been operational since 2016. The ERs submitted to GCF will be retired and registered in the Lima REDD+ Information Hub once the RBP is received. Indonesia is also expected to receive an RBP under the Indonesia-Norway Partnership. The result reported for the partnership is for 2017, therefore there is no risk of double counting of ERs submitted to GCF with those to be considered under Indonesia-Norway Partnership.

60. **Disbursement plan.** The implementation of the end-use activities will be over four years. The AE has explained that it will disburse the proceeds to the host country based on the achievement of outcomes. Accordingly, it is recommended that the disbursement of GCF financing (from GCF to AE) is also carried out over the four-year period corresponding to the implementation of the activities.

3.3.4. Compliance risk (medium risk)

61. The AE has provided a detailed description of its programme to address, monitor and mitigate the risks of money laundering, financing of terrorism and prohibited practices.

62. Within the funding proposal itself, the AE explicitly outlines its strategy to mitigate the risk of money laundering/ financing of terrorism through downstream contractual obligations. In addition, as per the accreditation master agreement (AMA), the AE shall apply its own fiduciary principles with regards to money laundering/countering the financing of terrorism, fraud and know-your-customer checks, among others. Indonesia has also implemented an aggressive programme to reduce illegal logging, including the use of anticorruption and anti-

money laundering/countering the financing of terrorism measures, which will help to reduce the level of risks associated with money laundering, financing of terrorism and prohibited practices in this project. A combination of these measures is expected to reduce the overall risk exposure to the medium level.

3.3.5. GCF portfolio concentration risk (low risk)

63. In case of approval, the impact of this proposal on the GCF portfolio risk remains non-material and within the risk appetite in terms of concentration level, results area or single proposal.

3.3.6. Recommendation

64. It is recommended that the Board consider the above points in its decision.

Summary risk assessment		**Rationale**
Overall programme	Medium	The proposed payment is for the emission reductions already achieved by Indonesia. The executing entity (Ministry of Finance) will implement 90% of GCF proceeds. Close monitoring and a covenant from the Government of Indonesia are required to mitigate the risk of competing ownership of emission reductions
Accredited entity/executing entity capability	Medium	
Project-specific execution	Medium	
Compliance	Medium	
GCF portfolio concentration	Low	

3.4 Results monitoring and reporting

65. Following the requirements of the TOR, the proposal will follow simplified reporting for which a specific template was developed by the Secretariat. Reporting will be delivered annually, following the AMA.

66. Monitoring of the use of proceeds will be conducted at the main activity level according to the description provided in the funding proposal.

3.5 Legal assessment

67. The AMA was signed with the AE on 5 August 2016, and it became effective on 23 November 2016.

68. The Accredited Entity has provided a certificate confirming that it has obtained all internal approvals and it has the capacity and authority to implement the project.

69. The proposed project will be implemented in Indonesia, a country in which GCF is not provided with privileges and immunities. This means that, among other things, GCF is not protected against litigation or expropriation in this country, which risks need to be further assessed. The Secretariat sent a draft agreement on privileges and immunities to the Ministry of Foreign Affairs of the Republic of Indonesia in 2015 and has been discussing the document since then, but no agreement has been reached to date.

70. The Heads of the Independent Redress Mechanism and Independent Integrity Unit have both expressed that it would not be legally feasible to undertake their redress activities and/or

investigations, as appropriate, in countries where GCF is not provided with relevant privileges and immunities. Therefore, it is recommended that disbursements by GCF are made only after GCF has obtained satisfactory protection against litigation and expropriation in the country or has been provided with appropriate privileges and immunities.

IV. List of proposed conditions

71. In order to mitigate risk, it is recommended that any approval by the Board be made subject to the following conditions:

(a) Signature of the funded activity agreement in a form and substance satisfactory to the Secretariat within 180 days from the date of Board approval; and

(b) Completion of the relevant due diligence to the satisfaction of the Secretariat.

Annex: Scorecard (aligned to the funding proposal template structure)

Section A: Proposed and projected REDD-plus results		
Criteria	**Status (Yes/No)**	**Remarks**
Does the total volume of achieved results indicated in the proposal match the results indicated in the biennial update report (BUR) during the results period (31 December 2013 to 31 December 2018)?	No	The results corresponding to the recalculated FREL for the purpose of this funding proposal are higher than those reported in the UNFCCC BUR technical annexIt is noted that for the purpose of the pilot programme, Indonesia has recalculated the FREL because the UNFCCC reference period exceeds the maximum of 20 years, as indicated in the GCF REDD+ RBP scorecard, in 2a(xiii). Following the guidance contained in footnote 3 of row 2a(xiii) of the scorecard, Indonesia has recalculated its reference level based on a period of 20 years.
Is the volume of achieved results offered to the pilot programme equal to or less than the total volume of achieved results indicated in the BUR during the results period?	Yes	In the FP, the volume of achieved results offered to the pilot programme is the 13 million tons CO2 eq/ year for the period of 2014 – 2016. This is less than the total volume of achieved results indicated in the BUR during the results period
Is the expected volume of REDD-plus results to be achieved significant compared to the overall level of REDD-plus results achieved in the current funding proposal being submitted?	No	According to its FP, Indonesia expects to submit a total of 36 MtCO2eq to the GCF pilot program, including an additional 9 MtCO2eq expected to be achieved in 2018.
Is the total volume expected to be submitted to the pilot programme within the available allocation of funding for the pilot programme and below the cap per country?	Yes	In the FP, the volume of achieved results offered to the pilot programme is the 9 million tons CO2 eq/ year for the period of 2014 – 2016 or 27 million tons in total. In addition, the FP indicates that an additional 9 million tons would be offered fin the future for 2018, bringing the total to 36 million tons prior to the application of the scorecard.
Section B: Carbon elements		
B.1. Forest reference emission level/forest reference level (FREL/FRL)		

Criteria	Score	Remarks
(i) Is the FREL/FRL consistent with the greenhouse gas (GHG) inventory, including the definition of forest used?	1	In the TAR, the AT commends Indonesia for establishing overall consistency of data sources between the FREL and the national greenhouse gas (GHG) inventory contained in the BUR. The AT notes that the forest definition in the FREL submission is slightly different from that used in Indonesia's national GHG inventory for its first BUR. The FREL encompasses six forest types that are considered natural forest, and the FREL does not include plantations, while the BUR does include plantations. During the TA, Indonesia explained that this discrepancy results from natural forests being the main concern for REDD-plus implementation. The FP further clarifies that in the exchanges with the AT, during the TA, it was explained that the definition of forest is not being changed in the FREL, but rather excluding the plantations given the objectives of REDD+ and the focus on natural forests. Indonesia explained that what is applied can be considered a "working definition" that also considers the concept of practicality and cost-effectiveness associated with measuring REDD+ performance in the future.
(ii) Is the FREL/FRL based on historical data and is it equal to or below the average annual historical emissions during the reference period, unless a country is an HFLD country?	2	The FREL is calculated as the annual average of carbon dioxide (CO2) emissions associated with deforestation and forest degradation occurring in the areas that were natural forest in 1990. The FREL is considering that part of the deforestation is taking place on peatland and therefore the FREL increases annually because of accumulating emissions from peat decomposition, The original FREL proposed by Indonesia and assessed in the TAR is based on the historical reference period 1990–2012. In accordance with footnote 22 of the TOR for the pilot programs, Indonesia therefore submitted a recalculated FREL for the period 1993-2012 (refer to criteria xiii). In accordance with the footnote, the recalculation of the FREL/FRL and results shall be based on submitted and technically assessed and analyzed data/information, without changing the annualized

		estimations and using the same methodologies. An annex was submitted as part of the Funding Proposal.
(iii) Is the FREL/FRL in accordance with the guidelines in decision 12/CP.17?	2	The TAR did not flag any issues based on the modalities in decision 12/CP.17
(iv) Are the data and information provided for the FREL/FRL transparent? (Has information been provided to allow an understanding of how UNFCCC guidance on submission of information on reference levels has been addressed?)	2	The TAR concludes that the information used by Indonesia in constructing its FREL for deforestation and forest degradation is transparent.
(v) Is the FREL/FRL complete? (Has information been provided that allows for the reconstruction of the FREL/FRL?)	2	The TAR concludes that the information used by Indonesia in constructing its FREL for deforestation and forest degradation is complete.
(vi) Is the FREL/FRL consistent? (Were data and methodologies applied consistently over the time series used for the construction of the FREL/FRL?)	1	The TAR highlighted several issues as areas for improvement in relation to consistency. • It was noted that the FREL uses different approaches to calculating means for the biomass pools over the reference period. For calculating average deforestation emissions and degradation emissions in the aboveground biomass pool, a simple arithmetic mean is used across all available periods, although the underlying forest-cover change is measured for unequal time intervals according to the availability of land-cover maps. For calculating peatland emissions in the soil organic carbon pool, however, the applied regression approach reuses the estimates according to the different lengths of time interval. The AT notes that it would be useful if the submission explained the reasons for such methodological differences. • To identify activity data for soil organic carbon emissions from peatland drainage in areas subject to deforestation or forest degradation, the FREL submission overlays land-cover maps with Indonesia's peatland map. For deforestation and forest degradation occurring on peatlands, additional emissions from the

		soil organic carbon pool are then calculated. These two data sets are not perfectly harmonized. • During the TA, Indonesia provided land-cover matrices for peatlands. The AT observed some discontinuity in these data that may indicate difficulties in ensuring consistency. The AT noted that maintaining a consistent interpretation approach across diverse interpreters is very difficult and that this is a potential source of the observed discontinuity.
(vii) Is the FREL/FRL accurate? (The data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period, so far as can be judged.)	1	The TAR highlighted several issues as areas for improvement in relation to potential over-or underestimation of emissions and/or removals: • In its submission, Indonesia includes only the gross emissions from deforestation that are associated with clear-cut forests, excluding any potential biomass regrowth and associated removals after the deforestation event. The AT noted that this is a reasonable approach when forest is converted to cropland with annual crops, but not necessarily when the crops are perennial or when there are other woody biomass stocks. In response, Indonesia clarified that when natural forest has been converted to non-forested lands, they rarely grow back into natural forest. Therefore the proposed FREL excludes plantation forests and non-forest classes such as croplands, agricultural lands, shrubs, savannah and grasses, paddy fields, transmigration areas, settlement areas, ports and harbours, mines and bare lands. The AT notes that this exclusion of removals in post-conversion carbon stocks likely leads to an overestimation of emissions from deforestation. • Indonesia's FREL includes soil organic carbon emissions from peatland decomposition associated with deforestation and forest degradation on peatlands. Indonesia calculates these emissions for all areas of deforestation or forest degradation that occur on peatlands using detailed information on the post-conversion land cover, which determines decomposition

		rates. The decomposition rate is variable; for example, the rate in peatlands with annual crops may differ from that in peatlands with secondary forest. The AT noted that while the emission factors from the Wetlands Supplement are intended to be applied only to "drained organic soils", the FREL does not distinguish areas with and without drainage. During the facilitative exchange for the TA, Indonesia explained that deforestation and forest degradation on peatlands are usually accompanied by drainage. Indonesia also explained that it is impossible to trace back the drained and the negligibly small areas of undrained secondary peat forest and therefore Indonesia considers it justifiable to consider all of the secondary forests as drained forests. The AT notes that the FREL submission does not currently include data to substantiate this. The submission does, however, highlight Indonesia's plans to improve the data on peatlands, chiefly with regard to emission factors and their dependency on the water table. The AT acknowledges these plans and agrees that collecting more detailed data on the management of peatlands is an area for improvement
(viii) Have all REDD-plus activities that are significant sources of emissions been included?	2	Indonesia's proposed FREL covers emissions from gross deforestation (defined as loss of natural forest cover below a certain threshold) and forest degradation (defined as a change from primary forest to disturbed secondary forest) associated with deforestation and forest degradation occurring in the areas that were natural forest in 1990. In its submission, Indonesia explains that data gaps, in particular those related to carbon stock enhancement, led to the exclusion of the other three REDD-plus activities (conservation and enhancement of forest carbon stocks and sustainable management of forests). The TAR notes that the activities included in the FREL that are likely the REDD-plus activities with the most significant emissions in Indonesia
(ix) Have all of the most significant pools been included?	1	The carbon pools included in the FREL are aboveground biomass and soil organic carbon. Aboveground biomass is included for all strata, while soil organic carbon is included only for deforestation or forest

		degradation occurring on peatlands. Belowground biomass, litter and deadwood are not included. Soil organic carbon on any soils except peatlands is also not included. According to the TAR, based on preliminary data from the Indomalaya ecozone, Indonesia estimates that belowground biomass, deadwood and litter amount to 13.6 per cent, 14.5 per cent and close to 2 per cent, respectively, of forest biomass (excluding soil organic carbon). The low biomass volume in litter is an indication of its low significance. In the modified FREL submission Indonesia explains that, at the national level, the information about other carbon pools is very limited. If the quantitative information presented in the submission is confirmed to be similar in other ecozones, the deadwood and belowground biomass carbon pools would likely be significant sources of emissions. The AT considers the treatment of emissions from belowground biomass, deadwood and soil organic carbon as an area for technical improvement.
(x) Have all gases that are a significant source of emissions been included?	1	The submitted FREL includes only CO_2 emissions and does not cover emissions of other GHGs. The FREL states that CO_2 contributes more than 99.9 per cent of total GHG emissions from LULUCF. The AT noted that, according to Indonesia's first BUR as well as its second national communication, fires occur frequently in the country and these could result in large amounts of non-CO2 emissions, in particular on peatland forests. In addition, the TAR notes that the submitted FREL does not include emissions from peatland fires. According to the first BUR, peatland fires make up 30.6 per cent of emissions from the land use sector which is more than forest and grassland conversion, which total 23.9 per cent. In the submission Indonesia explains that peatland fires have not been included in the FREL owing to the complexity and high uncertainty of related activity data, but that the Party has plans to include peatland fires in the FREL in the future. The AT considers the inclusion of non-CO2 GHG emissions an area for technical improvement.

(xi) Is the information provided in the construction of the FREL/FRL (data, methodologies and estimates) guided by the most recent applicable IPCC guidance and guidelines as adopted by the Conference of the Parties?	2	The TAR states that the methods used by Indonesia are consistent with the IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, as applied to the construction of the FREL. For the estimation of emissions from peat decomposition the 2013 Supplement to the 2006 Guidelines for National Greenhouse Gas Inventories: Wetlands was used.
(xii) Have any significant issues related to the application of IPCC GLs/GPGs been raised in the TA report?	1	No significant issues were raised
(xiii) What is the reference period for the FREL/FRL?	1	The FREL proposed by Indonesia and assessed in the TAR is based on the historical reference period 1990–2012. This is longer than 20 years which according to the scorecard should be considered as fail. However, footnote 22 of the TOR for the pilot programs states that countries that have already submitted FREL/FRLs with longer reference periods as of the launch of this RfP, or those submitting for assessment in 2018, may provide a recalculation of the FREL/FRL. The Indonesia FREL was submitted on 4 January 2016. Indonesia submitted a recalculated FREL in the FP with a reference period of 20 years (1993-2012)
(xiv) How does the reference level for the results included in the proposal compare to the previous reference level that applies to the same area?	1	No previous FRELs have been submitted
(xv) Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	0	Indonesia carries out an uncertainty analysis of its FREL concluding that the average uncertainty of the emission during the period covered by the FREL is 16.1%
Criteria	**Score**	

(i) Are the reported results in the technical annex to the BUR consistent with the FREL/FRL (including the same pools, activities and gases)?	2	The TATR states that the LULUCF experts noted that Indonesia ensured overall consistency between its FREL and its estimation of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation in 2013–2017 by: (a) Using consistent methodologies and data to generate AD on the deforestation area, the forest degradation area and the degraded peatland area where deforestation or forest degradation have occurred; (b) Using consistent methodologies and data to generate EFs, in particular the same EFs associated with specific land-cover changes based on the consistent land-cover stratification; (c) Including the same carbon pools: above-ground biomass and SOC; (d) Including the same gases: CO2 only; (e) Covering the same area: entire national territory; (f) Using the same assumption that all peatland where deforestation or forest degradation has occurred is considered as degraded (drained); (g) Using the same forest definition as that used in constructing its FREL. It is noted that according to the TAR, Indonesia identified in the technical annex an inadequacy in the reference level for emissions from peat decomposition. In the FREL, the reference level of peat decomposition was based on the future projection of emissions, which was estimated using a linear regression of historical emissions during 1990–2012. As the new annual degraded areas in 2010–2012 were larger than before, the linear regression approach estimated projected emissions in 2013–2015 to be smaller than the actual emissions in 2012. The AD for the emissions from peat decomposition are the total degraded peatland area in each year, and the new degraded area is added to the total degraded area from the previous year. The AD and the associated emissions do not decrease

		unless those degraded peatlands are restored or rewetted. The LULUCF experts agreed with the Party on the inadequacy of the FREL and acknowledge Indonesia's intention for the future improvement of the peat emission estimates included in the FREL.
(ii) Are the data and information provided in the technical annex transparent? (Has information been provided to allow an understanding of how UNFCCC guidance on results reporting has been addressed?)	2	The TATR states that the data and information provided in the technical annex are considered to be transparent, consistent, complete and accurate to the extent possible
(iii) Are the data and information provided in the technical annex complete? (Has information been provided that allows for the reconstruction of the results?)	2	The LULUCF experts concluded that Indonesia provided the necessary information to allow for the reconstruction of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation. Although some of the elements required by COP decisions or allowing for the reconstruction of results were not explicitly described in the technical annex, relevant information and data to allow for the reconstruction of results were obtained from the documents referred to in the technical annex or the responses from the Party to the questions of the LULUCF experts during the TA.
(iv) Are the data and information provided in the technical annex consistent? (Were data and methodologies applied consistently over the results time series?)	2	The TATR concludes that the method and procedure of AD collection are consistent in both the construction of the FREL and the calculation of the result. The same EFs are used in the calculations for the FREL and the results of the activities.
(v) Are the data and information provided in the technical annex accurate? (Does the annex neither over- nor under-estimate emissions and/or removals?)	2	The TATR notes that both the FREL and the results obtained for 2013–2017 from the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation are based on the assumptions that the amount of above-ground biomass per area in each forest type does not change over time, all losses of carbon in above-ground biomass are estimated as CO2 emissions in the year of land-cover change (i.e. by applying instantaneous oxidation), regrowth after land-cover change is not considered, and all peatland areas where deforestation or forest degradation appear are treated as degraded. The LULUCF experts noted that these assumptions may affect the accuracy of the estimated emissions from the activities; however, the effect of the assumptions on the emission reduction results, in terms of accuracy,

		may be limited because such effects are likely cancelled out by comparing the FREL and the actual emissions. Furthermore, it was noted that Indonesia expressed concern about the accuracy of the estimated emissions from peat decomposition expressed as increases of emissions compared with the reference level of peat decomposition. However, overall consistency between the FREL and the results of the activities is ensured, and the LULUCF experts concluded that the results are accurate to the extent possible
(vi) How many years are there between the last year of the FREL period, and the year corresponding to the results being proposed for payments?	2	The recalculated FREL covers the period 1993-2012. Payments are requested for the years 2014-2016
(vii) Has the country provided information on aggregate uncertainties, considering national capabilities and circumstances?	0	The technical annex discusses uncertainty of selected parameters but does not provide information on aggregate uncertainties. The technical annex was submitted on by Indonesia on 21 December 2018, so before 2019
(viii) Has information been provided on payments that have been (or are expected to be) received from other sources for results recognized by the country[a] from the same national or subnational area during the period for which a country is proposing to receive payments from GCF? And has the country provided sufficient assurance that results already paid for by other sources have been excluded from the total volume offered to GCF?	2	The FP states that as of now, Indonesia has not yet received any REDD+ results-based payments from any donors or other sources. However, the FP mentions payments that are expected to be received. Under the Indonesia-Norway Partnership, Indonesia has reported 7.4 MtCO2e/yr as results for 2017. The year 2017 has been excluded entirely from this GCF proposal. There is, therefore, no risk of double payments for this year. The exclusion of 2017 was a decision taken exclusively for this GCF proposal.
(ix) Are the results proposed to GCF for payment included in a registry or similar system, that tracks emission reductions and corresponding payments[b] to ensure there is no past or future double payment (or use) of such emissions reduction?	2	Indonesia has established a National Registry System (or SRN) for the implementation of REDD+ at national and subnational levels. The SRN is intended for: data collection action and support for climate change including on REDD+ actions and resources and for the avoidance of double counting. The SRN includes data and information on the FREL/FRL, MRV of results, as well as the contribution to achievement

		of the NDC. The National Registry System Manager is responsible for maintaining consistency between data and information on the implementation of REDD+ at the national and subnational levels and avoidance of double counting.
Total score section B	**36**	
Any fails	☐ Yes ☒ No	

[a] Through the REDD-plus national entity or focal point, where appointed.

[b] For each of these results, tracking information should identify (at a minimum) the corresponding national or subnational area, the entity eligible to receive payment, the year generated, and the source of results-based payments received and, where possible, the identifying number.

Section C: Non-carbon elements

C.1. Cancun Safeguards

Does the summary of information on safeguards provide information on how each of the safeguards below were addressed and respected in a way that ensures transparency, consistency, comprehensiveness and effectiveness?

Criteria	Evaluation (Pass/Fail)	Remarks
(i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.	Pass	The actions complement and are consistent with the National REDD+ Strategy and related policies and strategies.
(ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.	Pass	The structures fully complement the ongoing work on transparency and effective governance structures including national legislation and sovereignty.
(iii) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.	Pass	The summary provides adequate information and overview of how the respect for the knowledge and rights of indigenous people have been fully observed and integrated.

(iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision.	Pass	The summary provides sufficient adequate details on how the participation of relevant stakeholders have been fulfilled.
(v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the 12 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.	Pass	The actions are well described and provides adequate details
(vi) Actions to address the risks of reversals.	Pass	
(vii) Actions to reduce displacement of emissions.	Pass	
C.2. Use of proceeds and non-carbon benefits		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Has information been provided on how proceeds will be used consistent with GCF policies? Has information been provided on how the proceeds will be used in a manner consistent with the country's NDC, national REDD-plus strategy and/or low carbon development plans and policies? Has information been provided on how the proceeds will be used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits?	2	The use of proceeds are described in detail and fully consistent with GCF policies as well as how they are fully consistent with national priorities.
Total score section C	**2**	
Any fails	☒ Yes ☐ No	

Section D: Investment framework		
Criteria	**Evaluation (High/Medium/Low)**	**Remarks**

Impact potential	High	☒ The relevant mitigation and/or adaptation impact is specified. ☒ The GCF core indicators (and other indicators) are provided with specific values. ☒ Methodologies provided for calculating non-GHG indicators are clear and robust. ☒ The proposal compares the indicator values against appropriate benchmarks to demonstrate the impact potential.
Paradigm shift potential	High	The proposal clearly: ☒ describes the potential for scaling up to the country's NDC, national REDD-plus strategy and/or low-carbon development plans and policies. ☒ explains how the programme contributes to strengthening knowledge and learning. ☒ describes how proposed measures will create an enabling environment and contribute to innovation, market development and transformation. ☒ explains how the programme strengthens the regulatory framework and policies. ☒ demonstrates paradigm shift potential for catalysing impact beyond a one-off payment.
Sustainable development potential	High	☒ The proposal demonstrates environmental, social and economic impact, including the gender sensitive development impact.
Needs of the recipient	High	The proposal clearly: ☒ describes the degree of vulnerability of country/population and demonstrates that the programme addresses the issues. ☒ explains in detail how the programme addresses financial, economic, social and institutional needs.
Country ownership	High	The proposal: ☒ sufficiently explains how the programme contributes to a national climate strategy and/or policy. ☒ specifies in detail how the multi-stakeholder consultation was conducted.
Efficiency and effectiveness	High	The proposal: ☒ clearly describes adequateness of the financial structure for cost-effectiveness and efficiency.

		☒ provides information on financial viability in the long run. ☒ explains in detail the application of best practices and the degree of innovation.
Section E: GCF policies		
For the period of the results considered in the request for proposal		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Environmental and social safeguards (ESS)	Pass	☒ Adequate and sufficient information provided in an environmental and social assessment report describing the extent to which the measures undertaken to identify, assess and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards.
Risk assessment	Pass	☒ Adequate and sufficient information provided that allows for an assessment of the historical performance of the activities undertaken (track record) against the risk tolerance levels specified in the risk appetite statement and the criteria (where applicable) outlined in the risk guidelines for funding proposals.
Gender	Pass	☒ Adequate and sufficient information provided in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy. The assessment by the AE determined the alignment of the PSB and the PLRs with its Social and Environmental Standards which include an overarching principle of gender equality and women's empowerment.
Interim policy on prohibited practices	Pass	☒ Appropriate and sufficient information provided in a due diligence report to demonstrate that no prohibited practices occurred during the implementation of the activities that lead to the REDD-plus results, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.
For the use of proceeds		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Environmental and social safeguards (ESS)	Pass	☒ Adequate and sufficient information provided in an environmental and social management framework that will describe how environmental and social risks and

		impacts will be identified, assessed and managed in a manner consistent with ESS standards of GCF, including the determination of the relevant environmental and social risk category of the proposed activities.
Risk assessment	Pass	☒ Adequate and sufficient information provided that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the risk appetite statement and allows for performance monitoring and evaluation against the criteria (where applicable) outlined in the risk guidelines for funding proposals.
Gender	Pass	☒ Adequate and sufficient information provided on how the AE will undertake an activity-level gender assessment and action plan once the details of the activities become known.
Monitoring and evaluation	Pass	☒ Adequate and sufficient information provided on how the activities to be undertaken with GCF proceeds comply with the GCF monitoring and accountability framework.
Policy on prohibited practices	Pass	☒ Appropriate and sufficient information provided that assures that the activities with use of proceeds will follow the interim policy on prohibited practices, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the prohibited practices; and double payment or financing for the same results achieved, etc.
Indigenous Peoples policy	Pass	☒ Adequate and sufficient information provided on how the activities will meet the requirements of the policy and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.

Section F: GCF legal arrangements

E.6.1. Legal title to REDD-plus results

Requirement	Remarks	Status (Complete/Pending)
☒ Analysis with respect to legal title to REDD-plus results in the country is provided. It includes an analysis of entitlement to claim for the results to be paid for by GCF.	Under Indonesian legislation, the Ministry of Finance is the entity with authority to receive, distribute and manage REDD+ results-based payments (Ministry of Finance Regulation No. 137/PMK.01/2019 and Presidential Regulation No. 77 of 2018).	Complete

	Results paid for are recorded in the National Registry on Climate Change and cannot be transferred or otherwise transacted. The following measures will be taken to ensure that the GCF Volume of ERs will not be transferred and/or used for any other purposes e.g. offsetting: 1. The GCF Volume of ERs, expressed in tonnes CO2/year will be registered in the Lima REDD+ Information Hub on the UNFCCC REDD+ Web platform ("**Info Hub**"); 2. The Project Document (as defined below) will stipulate that (i) the GCF Volume of ERs will be retired, (ii) GCF Volume of ERs will not be transfered or used for any purposes other than those set out in the Funding Proposal, and (iii) any breach under the Project Document (as defined below) will result in the exercise of remedies pursuant to the TOR; and 3. The GCF Volume of ERs are included in Indonesia's National Registry System on Climate Change that tracks emission reductions and corresponding payments to ensure there is no past or future double payment or use of such ERs.	
☒ A covenant provided that no other party has a competing claim to the results proposed to GCF in accordance with national policy, legal or regulatory frameworks.	A covenant is included in the term sheet	Complete
Section G: Accredited entity fee		
Requirement	**Remarks**	**Status (Complete/Pending)**
Is the proposed list of activities clearly specified and justifiable as part of the AE fee?	Yes, the accredited entity fee includes properly justified information on the use of the expected fees by the AE	Complete

Is the fee amount considered reasonable and justifiable?	The agreed amount was 3.5% which is reasonable considering the nature of this results-based payments proposal which requires less responsibilities from the AE to the GCF and a simplified reporting. Although it is also acknowledged that the AE will need to implement additional activities specific to REDD-plus	Complete
Is the proposed list of activities justifiable as part of the Project Management Cost (PMC)?	The proposed activities included in the PMC seem reasonable.	Complete
Is the PMC amount considered adequate and justifiable?	Although the PMC costs seem significantly high compared to other projects with similar activities, the amount was defined in agreement between the host country and the AE, considering that the PMC costs are included within the payments provided to the host country,	Complete

Independent Technical Advisory Panel's assessment of FP130

Proposal name:	Indonesia REDD-plus RBP for results period 2014-2016
Accredited entity:	United Nations Development Programme (UNDP)
Country(/ies):	Indonesia
Project/programme size:	Medium

I. Scorecard application

1. As per decision B.18/07, the proposal has been assessed using the scorecard for REDD-plus results-based payments (RBPs). This assessment has been conducted by the Secretariat with the support of Land Use, Land-Use Change and Forestry (LULUCF) experts. The preliminary results will be discussed with the independent Technical Advisory Panel (TAP). The final score will need to be discussed and agreed with the independent TAP.

1.1 Summary of scorecard results

Table 1: Scorecard results (see annex 1 for details)

<table>
<tr><th colspan="2">Scorecard section</th><th colspan="2">Results</th></tr>
<tr><td colspan="2">Carbon elements</td><td>Score: 36</td><td>All criteria "pass"</td></tr>
<tr><td rowspan="2">Non-carbon elements</td><td>Cancun Safeguards</td><td colspan="2">All criteria "pass"</td></tr>
<tr><td>Use of proceeds and non-carbon benefits</td><td colspan="2">Score: 2</td></tr>
<tr><td colspan="2">GCF investment framework</td><td colspan="2">All criteria "high"</td></tr>
<tr><td colspan="2">GCF policies</td><td colspan="2">All criteria "pass"</td></tr>
</table>

1.2 Proposed payments

2. Following the procedure defined in the terms of reference, the following equation was applied to estimate the volume of results to be translated into payments:

$$\text{Volume of ERs offered (x)} \frac{\text{Total score achieved}}{\text{Maximum score}} = \text{GCF volume of ERs}$$

Abbreviation: ERs = emission reductions

3. The resulting GCF volume of results and the proposed amount for payments are provided in table 2 below:

Table 2: Resulting GCF volume of results and proposed amount for payments

Values	Results
Volume of ERs offered: 27,000,000 tCO_2eq Total score achieved: 36 Maximum score: 48	GCF volume of ERs: 20,250,000 tCO_2eq Additional 2.5 per cent of payments for non-carbon benefits
Valuation of results: USD 5/tCO_2eq Non-carbon benefits score: 2	Proposed results-based payments: **USD 103,781,250**

Abbreviations: ERs = emission reductions; tCO_2eq = tonnes of carbon dioxide equivalent.

II. Main findings

4. The following paragraphs describe the main findings in those sections of the scorecard where the assessment was found to be lower than the maximum score for each criterion (see details in annex):

(a) **B.1.(i) Consistency between the forest reference emissions level (FREL)/forest reference level (FRL) and the greenhouse gas (GHG) inventory**. The Assessment Team (AT) noted that Indonesia achieved consistency between the FREL and the national GHG inventory contained in its first biennial update report (BUR) in terms of using the same principal data sets (see para. 39 of the technical assessment report (TAR)). However, the AT noted that the FREL applies a different forest definition than that used in the national GHG inventory contained in Indonesia's first BUR (see para. 25 of the TAR). In its funding proposal, Indonesia explains that it addressed consistency concerns in the modified FREL submission. As explained in the exchanges with the AT, during the technical assessment (TA), the definition of forest was not changed in the FREL, but plantations were excluded in accordance with the REDD-plus objectives and shifted the focus on natural forests. Indonesia explained that the definition used can be considered a "working definition" that also considers the concept of practicality and cost-effectiveness associated with measuring REDD-plus performance in the future. Moreover, the AT noted in para. 25 of the TAR that the GHG inventory estimates emissions and removals from forest land remaining forest land by taking into account statistical wood harvesting data and adjustments for illegal logging. As to whether these estimates were fully consistent with the FREL data for forest degradation could not be assessed because the forest degradation estimates for the FREL were prepared using a different methodology that applies emission factors based on different average carbon stock values according to land-cover changes from primary to secondary forest, as discovered by remote-sensing. In the modified FREL submission, Indonesia addressed this concern by explaining that emissions from the further degradation of secondary forest were not included in the construction of the FREL because, at present, Indonesia does not have the capacity or data to assess the different levels of degradation occurring within secondary forests. In light of these findings, the score is 1, "evidence inconsistencies will be resolved in the next GHG inventory or FREL/FRL or justified";

(b) **B.1.(vi) Consistency of the FREL/FRL (data and methodologies applied).** During the TA, Indonesia provided a large amount of background information and material, including land-cover matrices for peatlands. The AT observed some discontinuity in these data that may indicate difficulties in ensuring consistency. According to the FREL submission, land-cover maps were derived largely using visual interpretation, with a large number of image interpreters contributing to the task. The AT acknowledged the immense effort that went into building the time series of land-cover maps but noted that maintaining a consistent interpretation approach across diverse interpreters is very difficult and that this is a potential source of the observed discontinuity. In response, Indonesia explained that it is exploring ways to develop the existing National Forest Monitoring System (NFMS), for example, by combining automated methods and visual interpretation, in order to improve the land-cover data. In line with this, in the view of the AT, quality management is an area for improvement (see paras. 17 and 40 (a) of the TAR). Moreover, in paragraph 20 of the TAR, the AT noted that in order to identify activity data for soil organic carbon emissions from peatland drainage in areas subject to deforestation or forest degradation, the FREL submission overlays landcover maps with Indonesia's peatland map. For deforestation and forest degradation occurring on peatlands, additional emissions from the soil organic carbon pool are then calculated. These two data sets are not perfectly harmonized. During the TA, Indonesia acknowledged that such imperfect harmonization may occur in "sliver areas". While maps and definitions could technically be harmonized, Indonesia explained that fully harmonizing data sets would require collaboration and arrangements between several ministry-level agencies and is therefore not easy to achieve. The AT acknowledged that Indonesia has plans to improve peatland mapping and agreed that ensuring consistency between the land-cover map and the peatland map is an area for improvement. Consequently, the score is 1, "Significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the consistency of the FREL/FRL, and the country has provided a plan on how it will seek to overcome them";

(c) **B.1.(vii) Accuracy of the FREL.** The AT pointed out a couple of areas for future technical improvement related to the accuracy of the FREL: (i) to improve accuracy and consistency in satellite image interpretation, time series satellite images could be directly compared and automated image processing techniques could be introduced (see para. 40(a) of the TAR); and (ii) Indonesia should broaden the scope of the uncertainty analysis to cover further potential sources of error and differentiate between land-cover classes with regard to emission factors and activity data (see para. 41(b) of the TAR). Additionally, the review of the funding proposal by the independent TAP found that both the FREL assessed by the AT and the one included in the funding proposal contain calculation errors that significantly modify the FREL. In both FRELs, Indonesia calculates the historical average emissions from deforestation and degradation by dividing the sum of annual average emissions in each measurement period, regardless of the period's length in years, by the number of measurement periods (i.e. seven). Instead, the FREL should have been calculated as the sum of annual averages over the reference period divided by the number of years in such period. The differences arising from this error were estimated by the independent TAP to be around 37,800,857 tonnes of carbon dioxide equivalent (tCO_2eq) for 2014, 37,800,345 tCO_2eq for 2015 and 37,799,834 tCO_2eq for 2016. In all cases, the FREL estimated by Indonesia was lower than the one calculated by the independent TAP. In its revised funding proposal, Indonesia revised the FREL so it represented an annual average over the historical period. Therefore, the score is 1, "Significant issues were raised and were resolved; or issues that were not resolved due to the limitation of time and data but were not material to the accuracy of

the FREL/FRL, and the country has provided a plan on how it will seek to overcome them";

(d) **B.1.(ix) Inclusion of the most significant pools in the FREL/FRL.** The FREL limits its scope to above-ground biomass and soil organic carbon on organic soils, which are the most significant pools in terms of emissions from forests (see para. 37 of the TAR). However, the AT considered the inclusion of other significant pools, such as below-ground biomass, deadwood and soil organic carbon, as an area for technical improvement (see para. 41(c) of the TAR). Moreover, in its funding proposal (section B.1.1 (ix)), Indonesia points out that below-ground biomass is being considered for inclusion in the resubmission of the national FREL to the United Nations Framework Convention on Climate Change (UNFCCC) planned for 2020. Consequently, the score is 1, "No, but justified due to lack of data and/or the omission does not overestimate emissions or underestimate removals, noting that countries should indicate a plan to include data in the future";

(e) **B.1.(x) Inclusion of all significant sources of emissions.** The submitted FREL includes only CO_2 emissions and does not cover emissions of other GHGs. The submission states that CO_2 contributes more than 99.9 per cent of total GHG emissions from LULUCF. The AT noted that, according to Indonesia's first BUR as well as its second national communication, fires occur frequently in the country and these could result in large amounts of non-CO_2 emissions, in particular on peatland forests. Consequently, the AT considered the inclusion of non-CO_2 GHG emissions an area for technical improvement (see para. 31 of the TAR). As shared with the LULUCF experts during the TA, the funding proposal (section B.1.1 (x)) points out that Indonesia has already been making progress on peatland fire emission estimates by collating new findings from published peer reviewed literature. Advancing remote-sensing technology to improve burned scar and peat depth of burn estimation mapping will increase the accuracy of peat fire emission calculations so that these estimates may be included as an improvement in a future FREL. Progress has already been made to develop a methodology applying the manual analysis of Moderate Resolution Imaging Spectroradiometer(MODIS) data for "hot spots" and yearly burned scar areas. In light of this, the score is 1, "No, but justified due to lack of data and/or the omission does not overestimate emissions, noting that countries should indicate a plan to include data in the future";

(f) **B.1.(xii) Significant issues related to the application of Intergovernmental Panel on Climate Change (IPCC) Guidelines (GLs)/Good Practice Guidance (GPGs) in the construction of the FREL/FRL**. Indonesia's FREL includes soil organic carbon emissions from peatland decomposition associated with deforestation and forest degradation on peatlands. The AT noted that while the emission factors from the wetlands supplement are intended to be applied only to "drained organic soils", the FREL does not distinguish areas with and without drainage. During the facilitative exchange for the TA, Indonesia explained that deforestation and forest degradation on peatlands are usually accompanied by drainage. Indonesia also included information in the modified FREL submission explaining that it is impossible to trace back the drained and the negligibly small areas of undrained secondary peat forest, and therefore Indonesia considered it justifiable to consider all the secondary forests as drained forests. The AT noted that the FREL submission does not currently include data to substantiate this, but that the submission does, however, highlight Indonesia's plans to improve the data on peatlands, chiefly about emission factors and their dependency on the water table. The AT acknowledged these plans and agreed that collecting more detailed data on the management of peatlands is an area for improvement (see para. 21 of the TAR). The score is therefore 1, "Significant issues were raised and could not be

resolved due to the limitation of time and data, and the country has provided a plan on how it will seek to overcome them";

(g) **B.1.(xiii) Reference period for the FREL/FRL**. The reference period applied for the construction of the UNFCCC technically assessed FREL was 1990–2012. However, following the guidance contained in footnote 3 of row 2a(xiii) of the scorecard, Indonesia recalculated its reference level based on a period of 20 years and included these estimates in its funding proposal. The score is 1, as the reference period is between 5–9 or 16–20 years;

(h) **B.1.(xiv) How does the reference level for the results included in the proposal compare to the previous reference level that applies to the same area**. No previous REDD-plus reference level had been submitted by Indonesia to the UNFCCC, thus the score is 1;

(i) **B.1.(xv) Inclusion of information on aggregate uncertainties.** Indonesia did not provide information on aggregate uncertainties related to its FREL (which was submitted in 2016, according to para. 1 of the TAR). The score is 0; and

(j) **B.2.(vii) Information on aggregate uncertainties associated with the results.** Indonesia does not provide information on aggregate uncertainties related to the results; thus the score is 0.

2.1 Impact potential *Scale: High*

5. Indonesia is the world's fourth most populous nation with a population of around 267.3 million and is also the largest economy in Southeast Asia and the tenth in the world. It is a diverse archipelago nation of more than 300 ethnic groups and is one of 17 "mega diverse" countries rich in biodiversity and all types of natural resources.[1]

6. Natural-resource-based production (minerals, energy, agriculture, forestry, and fishing) accounted for one-fifth of value added in 2017.[2] The economic growth of the country has been accompanied by a decline in forest cover. The change during 2005–2015 was the world's largest after that of Brazil. Illegal forest and peatland fires were used to clear land, notably for oil palm and timber plantations. The large islands of Sumatra and Kalimantan have been particularly affected, with deforestation on these two islands alone accounting for almost 90 per cent of national forest loss.[3]

7. A moratorium on new concessions for plantations and logging of primary forests and peatlands has been in place since 2011 but has not been fully effective (Austin et al., 2017; Busch et al., 2015). In 2018 the president signed a three-year moratorium on new licenses for oil palm plantations. More clarity over land rights and better law enforcement would help control deforestation.[4]

8. In the technical annex of its BUR, Indonesia reported the results of implementing REDD-plus activities for 2013–2017, calculated against the FREL, which amount to emission reductions of 48,978,427 tCO_2eq annually (average of annual emissions) and 244,892,135 tCO_2eq as the total for 2013–2017. The reference period applied for the construction of the UNFCCC technically assessed FREL was 1990–2012.

[1] See <https://www.worldbank.org/en/country/indonesia/overview>.
[2] OECD Economic Survey Indonesia.
[3] See <https://forestdeclaration.org/the-latest/case-study-indonesia#_edn1>.
[4] OECD Economic Survey Indonesia.

9. The funding proposal is accounting the period 2014–2016 for determining the volume to be offered to GCF for REDD-plus RBPs. The 2013 results are not eligible for the GCF REDD-plus RBP pilot programme, given that the start date is December 2013, and the 2017 results have been negotiated and committed as part of the Indonesia/Norway partnership. It is worth mentioning that Indonesia has not received any payments for REDD-plus results for the period 2014–2016 from any other source.

10. In this proposal, Indonesia is seeking RBPs for the emission reductions of 9 $MtCO_2eq$ annually (average of annual emissions) and 27 $MtCO_2eq$ as the total for 2014–2016.

11. In 2015, Indonesia, on a voluntary basis, proposed and submitted to the UNFCCCC secretariat the national FREL based on average historical emissions from 1990 to 2012, covering REDD-plus activities. The FREL, which successfully passed the technical assessment by UNFCCC experts in 2016, includes only natural forests, which in 1990 covered an area of 113.2 million hectares, comprising up to 60 per cent of the national territory and 78.6 per cent of the country's total forest land (excluding plantation forests). The assessed FREL of Indonesia was 568,859,881 tCO_2eq for 2013, but increases annually because of accumulating emissions from peat decomposition, reaching 593,329,235 tCO_2eq for 2020.

12. However, Indonesia's FREL reference period exceeds the maximum of 20 years, required by the GCF REDD-plus RBP scorecard. Following the guidance contained in footnote 22 of row 2a(xiii) of the terms of reference for the GCF scorecard, the historical reference period used for Indonesia's UNFCCC FREL was modified to cover a period of 20 years (1993–2012).

13. The independent TAP review of the funding proposal found that both the FREL assessed by the AT and the one included in the funding proposal contained calculation errors that significantly modified the FREL. In both FRELs, Indonesia calculated the historical average emissions from deforestation and degradation by dividing the sum of annual average emissions in each measurement period, regardless of the period's length in years, by the number of measurement periods (seven). Instead, the FREL should have been calculated as the sum of annual averages over the reference period divided by the number of years in such period. The differences arising from this error were estimated by the independent TAP to be around 37,800,857 tCO_2eq for 2014, 37,800,345 tCO_2eq for 2015 and 37,799,834 tCO_2eq for 2016. In all cases, the FREL estimated by Indonesia was lower than the one calculated by the independent TAP. In its revised funding proposal, Indonesia changed the FREL so it represented an annual average over the historical period. The recalculated FREL period still draws on data for all interval periods, which were analysed for the technical assessed FREL starting in 1990. The resulting annual average across the reference level period is calculated as seen in table 1.

Table 1: Recalculated 1993–2012 forest reference emission level and corresponding results

Years	Total FREL (1993–2012)	Total actual emissions (tCO2eq)	Total emission reductions (tCO2eq)
2014	568,988,033	369,384,991	199,603,043
2015	568,988,033	574,438,172	(5,450,138)
2016	568,988,033	618,151,083	(49,163,049)
Total			144,989,855

Abbreviations: FREL = forest reference emission level, tCO2eq = tonnes of carbon dioxide equivalent.

14. The project proponents specifically noted that this recalculation is exclusively for the purpose of this funding proposal and does not impact the UNFCCC FREL or results already submitted or reported in the BUR technical annex, and technically assessed or analysed, respectively. It does not necessary pre-empt future submissions to the UNFCCC by Indonesia.

15. In calculating the FREL, it is worth pointing out that peat decomposition accounts for a large portion of Indonesia's emissions. Indonesia has included soil organic carbon emissions from peat decomposition in the UNFCCC FREL in the spirit of including all significant pools and sources of emissions, despite the fact that its omission from the FREL might have been justified by the high level of uncertainty associated with these emissions. However, emission factors from peatland still require a lot of improvement, as current estimates were based on IPCC default values with 50 per cent uncertainty. Moreover, in order to reflect the fact that peat decomposition in drained peatland areas generates CO_2 emissions for long periods of time, Indonesia decided to take an increasingly linear trend approach to estimate such emissions in the FREL submitted to the UNFCCC.

16. Considering the above, the independent TAP noticed that the requirements of the GCF RBP pilot programme do not allow for increasing FREL emissions from non-high forest low deforestation countries. Following the independent TAP assessment, this has been modified to represent a historical annual average with a recalculated FREL for all activities and carbon pools reaching 568,988,033 tCO_2eq for 2020 for the purpose of this funding proposal.

17. With regard to Indonesia's remark in highlighting that the scorecard does not consider this very important element of its own national circumstances, the independent TAP would like to suggest that the GCF Secretariat and the Board revise the scorecard, which has already shown a lack of clarity in certain aspects regarding the REDD-plus RBP pilot programme. It must be noted that limiting the use of increasing FRELs due to the country's status as high forest low deforestation is exclusive to the scorecard, as the UNFCCC decisions refer more widely to national circumstances to justify FREL adjustments.

18. Based on a well-developed National REDD+ Strategy (STRANAS) initiated in 2012, Indonesia made a real reduction in emissions during 2014–2016, aside from the setback in 2015 when massive fires burned large swaths of peatland. The 2015 fires also led to Indonesia taking various steps to detect and prevent forest fires. The fires led to new and enhanced regulations, the establishment of a Peatland Restoration Agency, and increased policy priorities for fire prevention, law enforcement and social forestry. From 2015 onwards, fires can be delineated from Landsat, with initial indications of the hotspots.

19. The use of the proceeds will further strengthen the Government of Indonesia's capacity to coordinate and implement its REDD+ Strategy nationally. The support to update and further develop the overall REDD-plus architecture includes the areas of FRL; national forest monitoring systems; measurement, reporting and verification capacities; and safeguards information systems, among others. It will also aim to strengthen the Government of Indonesia's capacity for REDD-plus coordination and implementation at the national, provincial and local levels.

20. The proceeds will also be used to further extend and enhance the operationalization of social forestry and forest management units (FMUs), which contribute to sustainable forest management and rehabilitation as well as community empowerment and poverty alleviation. Both social forestry and FMUs will improve forest governance, helping address the rate of deforestation and forest degradation and meet REDD-plus objectives. The programme will devolve access to and management of forest land and resources to communities in adequate areas, refining social forestry.

21. RBPs provide Indonesia with a major opportunity in the fight against deforestation, complementing the overall strategy of the country, which has proven to be effective. RBPs alone cannot carry the whole financing weight, nor can they be a substitute for decisive political support and a high level of ambition.

22. The impact of the RBP cannot only be judged by the results of the past, but it can be judged mainly for the continuous improvement of the country's deforestation strategy and the

effective use of proceeds. The refinement of the REDD-plus architecture, together with the strengthening of the FMUs and the passing of more responsibility to communities in different regions of Indonesia to manage forest land, will certainly have the potential to have an impact on the fight to combat deforestation. However, the social forestry strategy has not been shown to be as successful as expected so far, and it therefore needs to be accelerated and scaled up. Moreover, as communities are not the ones making the biggest impacts in terms of deforestation, there needs to be a more evident effort to include the major land owners and forest concessions, uniting communities and enterprises located in the selected areas in a common approach towards deforestation and regeneration.

23. It is reassuring to note that the official deforestation numbers of the Government of Indonesia show that the rate of forest loss has continued to decline after 2016. The data reported deforestation of 440,000 hectares in 2018, slightly lower than the 2017 figure of 480,000 hectares. Indonesia seems to be moving in the right direction to achieve its NDC forestry sector goal of limiting annual deforestation to 325,000 hectares between 2020 and 2030.

24. However, Indonesia is so big and diverse that there is also a need to look at specific regions and target the main hotspots of deforestation. For example, the provinces of East Kalimantan, Maluku and West Papua experienced a 43 per cent, 40 per cent, and 36 per cent increase in deforestation in 2018, respectively, compared to 2017,[5] and provinces like Central Kalimantan, Riau and West Kalimantan have seen the most loss of forests by total area. The funding proposal will focus actions on 11 regions that have formulated provincial REDD-plus strategies and action plans (SRAPs) to support regional interventions: Aceh, East Kalimantan, Central Kalimantan, Central Sulawesi, Jambi, Papua, Riau, South Sumatera, West Papua, West Kalimantan and West Sumatera. Efforts to save the rich biodiversity and uniqueness of these forest areas is of crucial importance.

25. Finally, the forest moratorium should be strongly enforced to avoid leakage, especially by avoiding pressure to clear forests in peatlands.

2.2 Paradigm shift potential *Scale: High*

26. Indonesia's vast forest areas and rich biodiversity make it a unique country to prove the efficacy of the REDD-plus program. Compared to other countries, Indonesia has made great progress to reduce deforestation in recent years. It has been one of the few exceptions of the GCF REDD-plus RBP pilot programme where, aside from the results of the RBP period, the country continues to slow deforestation rates. The country has been implementing STRANAS since 2012 and has complemented it with the REDD-plus SRAPs in the 11 REDD-plus pilot provinces.

27. Indonesia made an early commitment in 2009 to reduce GHG emissions by 26 per cent by 2020, or by 41 per cent if international assistance was forthcoming. In 2011, the Government of Indonesia decided to issue a presidential instruction (hereinafter the "moratorium"). postponing the issuance of new permits for concessions in natural primary forest and peatlands This moratorium was extended on four occasions: (in 2011, 2013, 2015 and 2017) and was recently made permanent in August 2019. The permanent status of the moratorium on forest concessions has been applauded by many, hoping that it achieves further reductions in deforestation.

[5] See <https://wri-indonesia.org/en/blog/indonesia-reducing-deforestation-problem-areas-remain>.

28. However, and as noted by the World Resources Institute,[6] Indonesia has focused more on REDD and less on addressing the "plus" components, which include forest conservation. For example, a recent analysis found that protecting the primary forest of Papua, coupled with the restoration of degraded lands, could avoid 2.8–3.3 gigatonnes CO_2 emissions, which is like the baseline emissions projected for 2030 in Indonesia's NDC. Failing to protect these primary forests could put the government's emission reduction target out of reach.[7] The same analysis by the World Resources Institute notes that, due to the rapid deforestation of biodiversity hotspot areas, there could be a need to expand the moratorium policy by including high-biodiversity forests and degraded forests with high carbon stocks. The use of the proceeds of the proposal will target important biodiversity areas as noted above, but more effort should be given to the "conservation" component to make a real paradigm shift.

29. The use of the proceeds of the proposal will target two different but related outcomes. The first outcome will be to continue updating, building and strengthening its REDD-plus architecture, and to further strengthen government capacity to coordinate and implement REDD-plus nationally. Within this framework there could be elements of innovation, such as the development of a web-based application system for FREL development and REDD-plus performance calculations at the national and subnational level, the development and operationalization of a spatial monitoring system for emissions from the land and the improvement and operationalization of the national and subnational (local to provincial) REDDplus reporting system. The size of the country, the remoteness of some areas and the evident need to decentralize management and control of the use of forest resources mean that effective tools to monitor deforestation and forest degradation are required.

30. Regarding the second outcome, the use of the proceeds will support decentralized sustainable forest governance. The Government of Indonesia is rightly advancing to decentralize the sustainable management of forests through the operationalization of FMUs. The country needs to have the necessary capacity at the provincial level to be able to manage natural resources in an accurate manner. The FMUs are responsible for developing, implementing and/or overseeing site-level forest governance and management, including preparing participatory plans, enforcing forest regulations, such as forest fire control and other illegal practices, and supporting local communities and villages in applying for one of the arrangements available under the social forestry programme. The idea to have joint authority by central and local governments over the state forests is interesting, as it promotes the effective implementation of the national policies while allowing local governments to act. The independent TAP believes that the effective decentralization of the governance of the REDD-plus scheme will certainly be innovative, especially if the Government of Indonesia retains financial leverage through the recently established environmental fund to give a clear political signal that resources will be channelled only to those provinces able to implement their provincial REDD-plus strategies and action plans.

31. The Government of Indonesia has had a clear understanding of social forestry since 1970. The country started a community-based management forestry programme targeting 2.5 million hectares of social forests, which was scaled up in 2014 to 12.7 million hectares between 2015 and 2019. The overall objective of the social forestry programme is to reduce poverty among forest-dependent people while reducing deforestation and forest degradation, improving land management and conserving forests and valuable ecosystem functions. According to the Ministry of Environment and Forestry, there are 25,863 villages located in or around forest areas (2017), representing 37.2 million individuals or 9.2 million households, of which approximately 1.7 million are classified as poor. The programme involves selecting, demarcating and registering access and/or ownership rights, as well as supporting the

[6] Indonesia Is Reducing Deforestation, but Problem Areas Remain. World Resources Institute, Wijaya et all, July 2019
[7] See <https://www.wri.org/blog/2019/07/indonesia-reducing-deforestation-problem-areas-remain>.

development of economic activities compatible with the existing forest cover and land status. However, the social forestry programme has been slow, and, by 2019, only 3.4 million hectares of forest had been distributed for social forestry.

32. In moving forward, the Government of Indonesia's first priority is to continue to assist Adat (indigenous communities) and non-Adat communities, villages and individuals in obtaining licenses available through the six different schemes of social forestry, thereby increasing the size of forests under this programme. The second priority is to improve rural livelihoods issuing permits or rights to holders through the implementation of various management or development plans.

33. The independent TAP believes that the social forestry programme could end up proving a paradigm shift if the Government of Indonesia continues to resolve legal and regulatory bottlenecks and strengthens the Forest Management Units specifically responsible to oversee the social forestry programme.

2.3 Sustainable development potential *Scale: High*

34. The historic and contemporary rates of deforestation in Indonesia suggest a changing trend in the government approach, which is seeing the consequences of alarming deforestation rates in ecosystem services and is acting to prevent further forest and biodiversity loss.

35. Conserving the remaining forests of Indonesia is of paramount importance not only for the sustainable development of the country but also for the world at large. These forests are not only vital as carbon storehouses; they are also home to some of the richest biodiversity on the planet. As noted above, the use of the proceeds and the REDD-plus strategy should focus more in the conservation component, especially in rich biodiversity hotspots in the country.

36. The benefits of standing forests are also crucial to regulating rain and water provision for consumption and agriculture. Ensuring water for agriculture is only possible if the ecosystem services provided by forests are guaranteed. Other non-carbon benefits include the mitigation of soil erosion and soil stabilization.

37. Improved forest governance will not only increase transparency, but it will also allow for a multi-stakeholder approach to forest governance and management, provided that the national and regional governments, along with the community and individuals, are able to and encouraged to participate in forestry supervision.

38. The social forestry programme will allow for a Forest Partnership Agreement, bringing private sector individuals (or groups) and local communities or villages together to work on determining and implementing plans to sustainably manage the forest resources within distinct areas of state forests. The agreements would serve to avoid potential conflicts between the communities that are dependent on the natural resources for their livelihoods and the private sector users of the forests.

39. It is also recognized that land tenure security, traditional knowledge, and the distinct ways of life of these populations were of integral value to avoiding deforestation and achieving the national objectives of climate change mitigation through reduced GHG emissions.

40. The social forestry programme will support the recognition of land tenure of several communities and villages still awaiting recognition as an Adat (indigenous) peoples, as well as recognition of their customary Adat forests (per titles). This is important not only to protect the forests on which community livelihoods depend but also to protect the traditional knowledge and cultural identity that is so incredibly diverse in Indonesia.

41. Moreover, social forestry will allow the communities to develop options based on the sustainable management of the forests with the establishment of community timber plantations and also the development of non-timber endeavours with economic benefits to increase their standards of living, reduce poverty levels and improve livelihoods.

42. With regard to Adat and local community, while collective rights of use, access, and even ownership of lands and resources are not typically held by a single man or woman, many (not all) of the benefits received through the social forestry programme are expected to be shared communally, resulting in positive affects in multiple sectors within the collective, with special focus on women, youth and the elderly.

43. Indonesia has gender gaps, which are visible in education, employment and wages. The Gender Inequality Index ranks Indonesia 104 out of 160 countries (2017). While the national constitution does provide a sound foundation for promoting equal rights between men and women, there is a national instruction (9/2000) on gender mainstreaming in national development that provides more precise instructions to enhance the position, role and qualities of women to achieve gender equality.

44. Regarding the social forestry programme, permits are usually granted to community groups that form local institutions, such as cooperatives and farmer forest groups, which are normally headed by men. This limits access to the benefits from the initiatives by women, such as access to knowledge and capacity-building.

45. The preliminary gender action plan provides suggested entry points for gender-responsive actions to be taken under the applicable activities of the proposed project. The plan will ensure a gender analysis is conducted to inform gender-responsive project planning and implementation. In many cases, the project will need to collect baseline information to develop responsive actions. The plan will also provide equal access to project activities and to decision-making processes at all levels. It will further increase women's access to productive assets, including a benefit-sharing mechanism on forest resources.

46. Overall, the independent TAP believes that the use of the proceeds could provide a paradigm shift in the way regional governments and local communities are involved in the REDD-plus schemes in the country, giving special priority to indigenous communities (Adat communities), with an overarching national framework to improve the REDD-plus architecture, including tools to better monitor and act to reduce deforestation and forest degradation.

2.4 Needs of the recipient *Scale: High*

47. In recent decades, Indonesia's living standards have risen and the economy is more resilient. Gross domestic product per capita has risen by 70 per cent during the past two decades. Poverty rates have fallen in both rural and urban areas. Prudent macroeconomic policies and progress in structural reforms have been recognized by credit rating agencies, and Indonesia has climbed up international rankings on competitiveness and the business environment.[8] Economic growth in recent years, before the coronavirus disease 19 (COVID-19) crisis, had stabilized around a solid 5 per cent range. The agricultural sector contributes 12.8 per cent to the country's gross domestic product and employs 30.2 per cent of the active population. Indonesia is the largest producer of palm oil and the second-largest producer of rubber in the world.

48. For many years, Indonesia favoured economic growth at the expense of losing wealth in forests and biodiversity. Reversing the trend and transforming the business as usual model that for years favoured private sector enterprises dedicated to palm oil, forest concessions and

[8] See <http://www.oecd.org/economy/indonesia-economic-snapshot/>.

mining, among other activities, will be difficult, especially in rich biodiversity hotspot areas that drive the appetite of many potential investors.

49. Nationally, palm oil plantations caused the largest portion of forest loss in 2001–2016, driving 23 per cent of deforestation. The next largest portion was from fires that caused the conversion of forests to grass/shrubland, responsible for 20 per cent of deforestation nationwide. The impact of forest fires was especially strong in 2015, a particularly dry year, which led to an unusually high number of forest fires. Timber plantations and smallholder agriculture were also significant drivers, each accounting for almost 15 per cent of forest loss in the years 2001–2016.[9]

50. The expansion of the agricultural frontier and the lack of effective land tenure systems are great problems that will be further challenged by a changing climate. In recent years, climate change has had major impacts on the frequency and intensity of fires, and consequently there is a growing risk of wildfire-related deforestation (Langner and Siegert, 2009). Under global warming, Indonesia is projected to experience significant changes in rainfall patterns, with substantial decreases in rainfall in coming years (Lestari et al., 2014) and increased frequency of extreme El Niño events (Cai et al., 2014).[10]

51. Controlling deforestation and ensuring regenerative agriculture will require continuous efforts from the Government of Indonesia and global action to ensure deforestation-free value chains, especially in the palm oil, timber and rubber industries. Indonesia is already seeing the effects of stronger import regulations by the European Union, Indonesia's second largest palm oil importer and a key timber trade partner and has voluntarily signed the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade with the European Union. However, there are risks of these markets shifting to supply Indian and Chinese markets, where sustainability requirements are less stringent.

52. The government enacted the moratorium in the context of a national strategy on REDD-plus, a USD 1 billion bilateral co-operative agreement with Norway signed in 2010. Even though this agreement has been slow to go into effect, the two countries have recently agreed to proceed with a first payment.[11] Other governments and donors have also supported the ongoing efforts by Indonesia to control deforestation.

53. The fact that Indonesia has more than 300 islands spread over a vast geographical area makes it even harder to control deforestation. The resources from the GCF RBPs will represent just a small portion, and the amount estimated by the Government of Indonesia in the second BUR, which includes a conservative estimation on financial needs from 2018–2030 to meet the overall conditional target by 2030 of about USD 247 billion. The GCF RBP resources will come during the recession caused by the COVID-19 crisis, which makes them even more important, especially to support vulnerable communities associated with the social forestry scheme.

54. Based on the size of the country, the degree of vulnerability of many different communities in the many islands of the country and the country's exposure to climate risks, the independent TAP believes there is sufficient justification with regard to the need to support Indonesia.

2.5 Country ownership *Scale: High*

2.5.1. Alignment with national climate strategy

[9] See <https://forestdeclaration.org/the-latest/case-study-indonesia#_edn6>.
[10] See <https://www.sciencedirect.com/science/article/pii/S0959378016305933>.
[11] See <https://forestdeclaration.org/the-latest/case-study-indonesia#_edn6>.

55. In 2011, Indonesia adopted a National Action Plan for Reducing Greenhouse Gas Emissions 2010–2020 (RAN-GRK) that established the national emissions reduction target of 26 per cent below business as usual by 2020, and up to 41 per cent below business as usual with adequate international support. The RAN-GRK provides the basis for the implementation of various mitigation actions in the forestry, agriculture, energy, transport, industry and waste sectors. It sets for the forestry sector: land and forest restoration targets, and social forestry targets.

56. Within the RAN-GRK, the country delivered a National Medium-Term Development Plan 2015–2019 with GHG emission reduction targets for five priority sectors (forestry and peat lands; agriculture; energy and transportation; industry; and waste).

57. Moreover, in 2012 Indonesia released STRANAS, structured around five pillars: (1) institutions and processes; (2) laws; (3) strategic programmes; (4) cultures and paradigm shifts; and (5) multi-stakeholder involvement. The project presents a comprehensive table that summarizes the status of implementation of each pillar, presenting several policies and measures that Indonesia has implemented.

58. The STRANAS is complemented by the SRAPs in the 11 REDD-plus pilot provinces. SRAP documents describe drivers of deforestation and forest degradation, strategies to address them, and plans for actions for REDD-plus implementation based on the specific circumstances of each province. These documents guide the way to mainstream climate change and REDD-plus into subnational development planning processes and systems.

59. Aside from policies, one of the most important instruments has been the moratorium on the issuance of new concessions in primary forests and peatlands, renewed by presidential instruction every two years (2011, 2013, 2015, 2017), and most recently made permanent[12] in August 2019. This moratorium sends a clear and strong message about the importance of protecting peatlands, and it resulted in substantial emission reductions.

60. The social forestry programme is part of President Joko Widodo's "just economy" policy, which is an ambitious land reform programme through which the Government of Indonesia intends to redistribute control over 21.7 million hectares of land to communities (about 12 per cent of the nation's land area). Of this, 16.8 million hectares are on forest land, including the 12.7 million hectares to be covered by the social forestry programme for enhanced sustainable forest management.

61. The independent TAP believes the country has the right policies and institutional frameworks in place to move STRANAS forward in line with the purpose of the proposed project.

2.5.2. Capacity of accredited entity and executing entities to deliver

62. The Ministry of Finance will be the executing entity (i.e. implementing partner) responsible for project management, monitoring and evaluation of the project interventions, and ensuring outcomes in line with the effective use of GCF resources. The Ministry of Environment and Forestry (MOEF) will be a co-executing entity. REDD-plus activities are coordinated by the REDD+ Sub-Directorate under the Directorate General of Climate Change under this Ministry.

63. The experience of MOEF includes the development of STRANAS, the FREL endorsed by the UNFCCC and of the safeguards information system (SIS). The GCF project will build on the vast experience of MOEF in sustainable forest management and sustainable land-use

[12] A copy of this Presidential Instructions in Indonesian language is available at <https://gapki.id/wp-content/uploads/2019/08/Inpres-Nomor-5-Tahun-2019-Salinan.pdf>.

programmes, including through community forestry schemes; the rehabilitation of degraded land and peatland restoration; increasing climate change adaptation capacity; and GHG emission reductions. In 2016, MOEF managed a budget of IDR 5.95 trillion (around USD 450 million) with an execution rate of 82.1 per cent.

64. As the accredited entity to GCF, the United Nations Development Programme (UNDP) will be responsible for supervising and providing technical backstopping during project implementation. UNDP has experience in developing REDD-plus proposals for GCF as well as projects related to forestry. UNDP has been a partner of MOEF since 2000, supporting the global and national biodiversity agenda, tackling climate change mitigation and adaptation, and enhancing forest governance structures and practices with several programmes.

65. There will be a project board composed of representatives of the Ministry of Finance, MOEF, UNDP and a representative of the civil society. The project board will provide overall managerial guidance for project execution. UNDP will play the role of ensuring quality assurance and supporting the project board by carrying out objective and independent project oversight and monitoring functions.

66. The project national director will be a senior staff member of the Ministry of Finance and will be responsible at the highest level for providing guidance on the management and technical feasibility of the project and ensuring that its implementation leads to the achievement of results. The project national director will run the project management unit on a day-to-day basis within the constraints laid down by the project board. This will be done in close supervision with UNDP and the Ministry of Finance.

67. The project management unit will be hosted in the newly established Environmental Fund Management Agency (BPDLH), under Directorate General Treasury of the Ministry of Finance. This Ministry of Finance will establish fund that will play a key role in supporting REDD-plus nationally and in further mainstreaming and strengthening REDD-plus within Indonesia's public institutions and processes. Part of the activities of the funding proposal, is to strengthen the fund and build capacity on REDD-plus, aiming to support its accreditation to GCF for "direct access".

68. The Technical Committee, which already exists and is chaired by MOEF, will provide technical support to the project board. It includes relevant partners, technical experts and other stakeholders such as civil society organizations, academics, indigenous peoples, local community and women's groups, the private sector, and other partners. In particular, and to address the activities that will be supported by the use of the proceeds, key partners supporting the REDD-plus process, including those supporting the FMU and social forestry programme, will be invited to participate to ensure adequate coordination as well as knowledge exchange on challenges and best practices.

69. The implementation of this project will be closely coordinated with other relevant projects and initiatives supporting the national and subnational REDD-plus processes, as well as those supporting the FMU and social forestry programmes. This coordination will be ensured directly by the various General Directorates of the Ministry of Environment and Forestry, which is mandated to oversee these thematic areas, as well as through the Technical Committee.

2.5.3. Engagement with civil society organizations and other relevant stakeholders

70. Indonesia has been engaging stakeholders in REDD-plus since 2011 for the preparation of STRANAS with focus group discussions around how to monitor and demonstrate project impacts and compliance with the Cancun safeguards. Multi-stakeholder consultations were held in seven regions that covered 33 provinces in Indonesia, at the national as well as international levels.

71. Furthermore, 11 provinces (Aceh, Central Kalimantan, Central Sulawesi, East Kalimantan, Jambi, Papua, Riau, South Sumatera, West Kalimantan, West Papua, and West Sumatera) have formulated provincial SRAPs involving relevant stakeholders in REDD-plus working groups. These SRAP development processes upheld the principle of gender equity and social inclusion.

72. Moreover, in early 2011, the previous Ministry of Forestry commenced a multi-stakeholder process to develop a SIS that evaluates the relevance of the Cancun safeguards, translates them for the Indonesian context, and drafts a structure and mechanism for SIS-REDD-plus and an assessment tool. The SIS-REDD-plus, including its web page, is a cornerstone to the SIS and allows all relevant stakeholders to be informed and involved.

73. The proposal places great emphasis on continuing engagement with stakeholders throughout the life cycle of the RBP project. Moreover, this is mandated by law, consistent with Indonesia's STRANAS, using several multi-stakeholder forums already in place. The project will strengthen the FMUs, which involves outreach and the involvement of communities, villages and Adat communities, as well as local governments. The programme also foresees strengthening local access to a grievance mechanism and will bring together stakeholders in forest management through the social forestry programme.

74. Overall, the independent TAP believes that the Government of Indonesia is deeply involved in the proposed project, with strong institutions and policies in place.

2.6 Efficiency and effectiveness *Scale: High*

75. Indonesia has presented the payment for results report, accounting for 18.6 per cent of the total volume of REDD-plus results between 2014 and 2016 (measured against FREL, corresponding to the average emissions in the historical period 1993–2012), which is equivalent to a total of 144,989,856 tCO_2eq. The evaluation of the scorecard has reduced the total score from 48 to 36, and, relevantly, submitted emission reductions were reduced to 20,250,000 tCO_2eq.

76. Payment is equivalent to USD 103,781,250 at USD 5 per tCO_2eq, including 2.5 per cent for non-carbon benefits.

77. The effectiveness of the use of proceeds can only be evaluated in the future, upon understanding the impact of the measures implemented through the STRANAS strategy, and when there is sufficient evidence to assess the success of the implementation of the FMUs in the 11 selected regions as well as the amount of forest hectares in the hands of communities through the social forestry programme.

78. So far, the Government of Indonesian has made ambitious plans with targets that have been difficult to achieve. As explained in the project proposal, the Medium-Term Development Plan for 2015–2019 aimed to complete 100 per cent of forest demarcation, establish 629 FMUs and make them operational, and foster social forestry partnerships across 12.7 million hectares (including customary holdings). Though the implementation of social forestry has accelerated markedly, only 3.4 million hectares of forests had been designated for social forestry by October 2019 (i.e. 9.3 million hectares remaining). And while 531 FMUs have been officially established nationwide (2018), covering a total area of about 83 million hectares (i.e. nearly the entirety of the forest estate), much remains to be done in terms of operationalizing these FMUs.

79. In terms of budget allocation, the project will invest around 7.7 per cent of the proceeds for continuing to update, build and strengthen its REDD-plus architecture, as well as further strengthening government capacity to coordinate and implement REDD-plus nationally; around 90 per cent of the budget will be used to further extend and enhance social forestry and FMU

operationalization. Around 2.2 per cent of the proceeds will be for project management. The distribution seems well balanced, as most of the resources aim to support the implementation of REDD-plus activities in the selected territories.

80. It is impossible to attribute specific REDD-plus results achieved in different years to specific sources of finance, including the resources from the GCF RBP. So far, the Government of Indonesia has received funds from a variety of finance sources, including national, central, provincial, district and village-level public budgets, non-governmental organizations, the private sector, and the international donor community.

81. The establishment of the BPDLH under the Ministry of Finance provides both a high-level political signal and a mechanism to incentivize provinces to implement their provincial REDD-plus strategies and action plans. BPDLH includes several funding windows (and sub windows), including one for climate change under which REDD-plus funds will be managed, with the objective of serving as the central financing instrument for REDD-plus (and environment) in Indonesia for both international and domestic finance. This will enable a much more coordinated and synergetic implementation of environmental actions. At the same time, it will enable the Government of Indonesia to enhance its accountability towards its constituencies as well as towards contributing donors.

82. Provinces that intend to access the BPDLH are expected to demonstrate both carbon and non-carbon benefits through the implementation of their REDD-plus strategies or action plans. As such, BPDLH is a key instrument to ensure national leadership in the coordination of climate finance and climate action for the implementation of the NDC.

83. The Jokowi administration has prioritized the social forestry programme and FMU as part of its main programme, and it is aiming to achieve results in the next five years of the development programme. To ensure efforts are successful in achieving these ambitious targets, the Government of Indonesia has set aside a more significant allocation from the national budget. Based on budget tracking covering the period 2017–2019, the Government allocated USD 39 million of its national budget for social forestry, while for 2020–2024, the indicative national budget for social forestry increases to USD 111 million.

84. For the FMUs, the Government of Indonesia disbursed USD 288 million from 2017–2019, both for enhancing the institutions and investment activities. The allocated budget increases significantly for the next five-year period, amounting to USD 1.4 billion. The most significant portion is allocated for forest rehabilitation related activities.

85. However, more funding from various innovative and legitimate sources are required to meet the ambitious targets to achieve more significant impacts. Moreover, there is a need to ensure that private sector companies, especially from the palm, rubber and forestry sectors, are more conscious every day of the need to support the efforts to stop deforestation in Indonesia and to promote regeneration actions. In the midst of the COVID-19 crisis, Indonesia, like many other countries, will have to prioritize the transformation of its food and land-use systems into powerful engines of growth, but this time by strengthening local food systems with diversified food production, enhancing rural prosperity and preserving their irreplaceable natural capital. To this end, the independent TAP believes that the GCF RBP will come at the right time and that Indonesia has the institutional capacity and policies in place to make effective and efficient use of these resources.

III. Overall remarks from the independent Technical Advisory Panel

86. The Indonesia REDD-plus project proposal presents a good case for financing under the GCF REDD-plus RBP pilot programme. However, because of its nature, the project proposal

lacks sufficient information on the efficacy of the utilization of proceeds for the independent TAP to make specific and decisive remarks.

87. The independent TAP recommends this project be approved by the Board.

88. The independent TAP further recommends that Indonesia strengthen its quality assurance/quality control procedures in order to avoid errors in the calculations of the FREL and the results in the future. Additionally, certain areas for future improvement were already identified during the technical assessment, and the revision of the BUR technical annex by the AT and LULUCF experts needs to be addressed.

Annex I: Scorecard **(aligned to the funding proposal template structure)**

Section A: Proposed and projected REDD-plus results		
Criteria	**Status (Yes/No)**	**Remarks**
Does the total volume of achieved results indicated in the proposal match the results indicated in the biennial update report (BUR) during the results period (31 December 2013 to 31 December 2018)?	No	As stated in the funding proposal, Indonesia noted that the reference period of the FREL submitted to the UNFCCC exceeds the maximum of 20 years established in the GCF REDD+ RBP scorecard, section 2a(xiii). Following the guidance contained in footnote 3 of row 2a(xiii) of the scorecard, Indonesia recalculated its reference level based on a period of 20 years. The results corresponding to the recalculated FREL for the purpose of this funding proposal are higher than those reported in the UNFCCC BUR technical annex (total 259,511,225 t CO2 eq for 2013-2017 and 51,902,245 tCO2 eq average annual emissions) compared to 48,978,427 tCO2 eq annually (average of annual emissions) and 244,892,137 tCO2 eq as the total for 2013–2017 as reported in the BUR
Is the volume of achieved results offered to the pilot programme equal to or less than the total volume of achieved results indicated in the BUR during the results period?	Yes	The funding proposal states that Indonesia offers 9 million tons of CO2eq/year for the period 2014-2016, for a total of 27 MtCO2eq. The total emissions reductions for the period 2012-2017 reported in the BUR REDD+ technical annex is 244,892,135 tCO2eq. However, as noted before, the results included in the BUR TA are not comparable to those presented in the funding proposal due to the re estimation of the FREL. The volume offered is however lower that the total volume of achieved results in the results period 2013-2017, which amounts to a total 259,511,225 t CO2 eq.

Is the expected volume of REDD-plus results to be achieved significant compared to the overall level of REDD-plus results achieved in the current funding proposal being submitted?	No	According to its funding proposal, Indonesia expects to submit a total of 36 MtCO2eq to the GCF pilot program, including an additional 9 MtCO2eq expected to be achieved in 2018. The results offered to the GCF by Indonesia in the current proposal (27 MtCO2eq) therefore represent about 10.4% of the REDD-plus results achieved in the current funding proposal.
Is the total volume expected to be submitted to the pilot programme within the available allocation of funding for the pilot programme and below the cap per country?	No	As pointed out in the funding proposal, approximately a total of 36 MtCO2eq are expected to be submitted by Indonesia to the pilot programme, which is above the available allocation of funding for the programme and at the established cap per country (30 MtCO 2 eq)
Section B: Carbon elements		
B.1. Forest reference emission level/forest reference level (FREL/FRL)		
Criteria	**Score**	**Remarks**
(i) Is the FREL/FRL consistent with the greenhouse gas (GHG) inventory, including the definition of forest used?	1	The AT noted that Indonesia achieved consistency between the FREL and the national GHG inventory contained in its first BUR in terms of using the same principal data sets (paragraph 39 of the TAR). However, the AT noted (paragraph 25 of the TAR) that the FREL applies a different forest definition than that used in the national GHG inventory contained in Indonesia's first BUR. In addition to the six natural forest classes contained in the FREL, the GHG inventory includes information about plantation forests. During the TA, Indonesia explained that this discrepancy results from natural forests being the main concern for REDD-plus implementation (see paragraph 35 of the TAR). The AT considered that this could partially explain the difference between the deforestation estimate in the FREL and the area estimate for conversion of forest to other land-

		cover categories in the GHG inventory. In its funding proposal, Indonesia explains that in the modified FREL submission, they addressed consistency concerns. As explained in the exchanges with the AT, during the TA, the definition of forest is not being changed in the FREL, but rather excluding the plantations given the objectives of REDD+ and the focus on natural forests. Indonesia explained that what is applied can be considered a "working definition" that also considers the concept of practicality and cost-effectiveness associated with measuring REDD+ performance in the future. Moreover, the AT noted (paragraph 25 of the TAR) that the GHG inventory estimates emissions and removals from forest land remaining forest land, by taking into account statistical wood harvesting data and adjustments for illegal logging. Whether these estimates were fully consistent with the FREL data for forest degradation could not be assessed, because the forest degradation estimates for the FREL were prepared using a different methodology that applies emission factors based on different average carbon stock values according to land-cover changes from primary to secondary forest, as discovered by remote sensing. In the modified FREL submission, Indonesia addressed this concern by explaining that emissions from further degradation of secondary forest were not included in the construction of the FREL because, at present, Indonesia does not have the capacity or data to assess the different levels of degradation occurring within secondary forests. The AT commends Indonesia for including an explanation of the forest definition in the modified FREL submission
(ii) Is the FREL/FRL based on historical data and is it equal to or below the average annual historical emissions during the reference period, unless a country is an HFLD country?	2	According to the TAR (paragraph 6), the FREL proposed by Indonesia for the historical reference period 1990–2012 is the annual average of carbon dioxide (CO2) emissions associated with deforestation and forest degradation occurring in the areas that were natural forest in 1990. For the funding proposal, the historical period has been modified to cover the years 1993-2012 (see section

		B.1. of the funding proposal). However, it must be noted that the FREL increases over time due to emissions from peatland degradation, which are estimated as a lineal trend, and therefore represents an emission volume above the historical average emissions from peatlands. Consequently, Indonesia revised the FREL as part of its revised funding proposal to make it reflect a historical annual average.
(iii) Is the FREL/FRL in accordance with the guidelines in decision 12/CP.17?	2	The AT noted that the data and information used by Indonesia in constructing its FREL are transparent and complete, and are in overall accordance with the guidelines contained in the annex to decision 12/CP.17 (paragraph 36 of the TAR). The AT notes that the transparency and completeness of information improved significantly in the modified FREL submission, without the need to alter the approach or values used to construct the FREL, and commends Indonesia for the efforts it made (paragraph 38 of the TAR).
(iv) Are the data and information provided for the FREL/FRL transparent? (Has information been provided to allow an understanding of how UNFCCC guidance on submission of information on reference levels has been addressed?)	2	The AT noted that the data and information used by Indonesia in constructing its FREL are transparent and complete, and are in overall accordance with the guidelines contained in the annex to decision 12/CP.17 (paragraph 36 of the TAR). The AT notes that the transparency and completeness of information improved significantly in the modified FREL submission, without the need to alter the approach or values used to construct the FREL, and commends Indonesia for the efforts it made (paragraph 38 of the TAR).
(v) Is the FREL/FRL complete? (Has information been provided that allows for the reconstruction of the FREL/FRL?)	2	The AT noted that the data and information used by Indonesia in constructing its FREL are transparent and complete, and are in overall accordance with the guidelines contained in the annex to decision 12/CP.17 (paragraph 36 of the TAR).

(vi) Is the FREL/FRL consistent? (Were data and methodologies applied consistently over the time series used for the construction of the FREL/FRL?)	1	During the TA, Indonesia provided a large amount of background information and material, including land-cover matrices for peatlands. The AT observed some discontinuity in these data that may indicate difficulties in ensuring consistency. According to the FREL submission, land-cover maps were derived largely using visual interpretation, with a large number of image interpreters contributing to the task. The AT acknowledged the immense effort that went into building the time series of land-cover maps, but noted that maintaining a consistent interpretation approach across diverse interpreters is very difficult and that this is a potential source of the observed discontinuity. In response, Indonesia explained that it is exploring ways to develop the existing NFMS, for example by combining automated methods and visual interpretation, in order to improve the land-cover data. In line with this, in the view of the AT, improving quality management is an area for improvement (paragraph 17 and 40 a) of the TAR). Moreover, the AT noted (paragraph 20 of the TAR) that, to identify activity data for soil organic carbon emissions from peatland drainage in areas subject to deforestation or forest degradation, the FREL submission overlays landcover maps with Indonesia's peatland map. For deforestation and forest degradation occurring on peatlands, additional emissions from the soil organic carbon pool are then calculated. These two data sets are not perfectly harmonized. During the TA, Indonesia acknowledged that such imperfect harmonization may occur in "sliver areas". While maps and definitions could technically be harmonized, Indonesia explained that fully harmonizing data sets would require collaboration and arrangements between several ministry-level agencies and is therefore not easy to achieve. The AT acknowledged that Indonesia has plans to improve peatland mapping and agreed that ensuring consistency between the land-cover map and the peatland map is an area for improvement.

(vii) Is the FREL/FRL accurate? (The data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period, so far as can be judged.)	1	The AT pointed out a couple of areas for future technical improvement related to the accuracy of the FREL: • improving accuracy and consistency in satellite image interpretation, time series satellite images could be directly compared (rather than analysing satellite images for time points individually by overlaying maps to detect changes) and automated image processing techniques could be introduced (paragraph 40 (a) of the TAR), and • Broadening of the scope of the uncertainty analysis to cover further potential sources of error, and differentiating between land-cover classes with regard to emission factors and activity data (paragraph 41 (b) of the TAR) Additionally, the review of the funding proposal by the independent TAP found that both the FREL assessed by the AT and the one included in the funding proposal contain calculation errors that significantly modify the FREL. In both FRELs, Indonesia calculates the historical average emissions from deforestation and degradation by dividing the sum of annual average emissions in each measurement period, regardless of the period´s length in years, by the number of measurement periods (7). Instead, the FREL should have been calculated as the sum of annual averages over the reference period divided by the number of years in such period. The differences arising from this error were estimated by the independent TAP to be around 37,800,857 TCO2eq for 2014, 37,800,345 TCO2eq for 2015 and 37,799,834 TCO2eq for 2016, in all cases the FREL estimated by Indonesia was lower than the one calculated by the independent TAP. In its revised funding proposal, Indonesia revised the FREL for it to represent an annual average over the historical period.

(viii) Have all REDD-plus activities that are significant sources of emissions been included?	2	The AT acknowledged that Indonesia included in the FREL emissions from deforestation and forest degradation, which are the two most significant REDD-plus activities in Indonesia (paragraph 37 of the TAR). In its submission, Indonesia explains that data gaps, in particular those related to carbon stock enhancement, led to the exclusion of the other three REDDplus activities (conservation and enhancement of forest carbon stocks and sustainable management of forests). The AT noted that Indonesia could explore whether the data set used for estimating the emissions from degradation could also be used for estimating the opposite conversions, which would lead to a carbon stock enhancement. The AT commended Indonesia for its plans to include additional REDD-plus activities and considered this inclusion an area for improvement (paragraph 33 of the TAR).
(ix) Have all of the most significant pools been included?	1	The FREL limits its scope to aboveground biomass and soil organic carbon on organic soils, which are the most significant pools in terms of emissions from forests (paragraph 37 of the TAR). However, the AT considered the inclusion of other significant pools, such as belowground biomass, deadwood and soil organic carbon, as an area for technical improvement (paragraph 41 (c) of the TAR). Further, the AT noted that default IPCC root-to-shoot ratios could be used to estimate belowground biomass, and soil organic carbon on mineral soils could be estimated using IPCC stock change factors, which would allow a first indication of the importance of these carbon pools in Indonesia to be gained. (paragraph 30 of the TAR). Moreover, in its funding proposal (section B.1.1 (ix)) Indonesia points out that belowground biomass is being considered for inclusion in the resubmission of the national FREL to the UNFCCC planned for 2020.
(x) Have all gases that are a significant source of emissions been included?	1	The submitted FREL includes only CO2 emissions and does not cover emissions of other GHGs. The submission states that CO2 contributes more than 99.9 per cent of total GHG emissions from LULUCF. The AT noted that, according to Indonesia's first BUR as well as its second

		national communication, fires occur frequently in the country and these could result in large amounts of non-CO2 emissions, in particular on peatland forests. Consequently, the AT considered the inclusion of non-CO2 GHG emissions an area for technical improvement (paragraph 31 of the TAR) The funding proposal (section B.1.1 (x)) points out that, as shared with the LULUCF experts during the TA, Indonesia has already been making progress on peat land fire emission estimates by collating new findings from published peer reviewed literature. Advancing remote sensing technology to improve burned scar and peat depth of burn estimation mapping will increase the accuracy of peat fire emission calculations so that these estimates may be included as an improvement in a future FREL. Progress has already been made to develop a methodology applying manual analysis of MODIS data, for "hot spots" and yearly burned scar areas.
(xi) Is the information provided in the construction of the FREL/FRL (data, methodologies and estimates) guided by the most recent applicable IPCC guidance and guidelines as adopted by the Conference of the Parties?	2	The TAR (paragraph 11) notes that the methods used by Indonesia are consistent with the Intergovernmental Panel on Climate Change (IPCC) Good Practice Guidance for Land Use, Land-Use Change and Forestry and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories as applied to the construction of the FREL. For the estimation of emissions from peat decomposition the 2013 Supplement to the 2006 Guidelines for National Greenhouse Gas Inventories: Wetlands was used.
(xii) Have any significant issues related to the application of IPCC GLs/GPGs been raised in the TA report?	1	Indonesia's FREL includes soil organic carbon emissions from peatland decomposition associated with deforestation and forest degradation on peatlands. The AT noted that while the emission factors from the Wetlands Supplement are intended to be applied only to "drained organic soils", the FREL does not distinguish areas with and without drainage. During the facilitative exchange for the TA, Indonesia explained that deforestation and forest degradation on peatlands are usually accompanied by drainage. The Party also included information in the modified FREL submission explaining

		that it is impossible to trace back the drained and the negligibly small areas of undrained secondary peat forest and therefore Indonesia considered it justifiable to consider all of the secondary forests as drained forests. The AT noted that the FREL submission does not currently include data to substantiate this, but that the submission does, however, highlight Indonesia's plans to improve the data on peatlands, chiefly with regard to emission factors and their dependency on the water table. The AT acknowledged these plans and agreed that collecting more detailed data on the management of peatlands is an area for improvement (paragraph 21 of the TAR).
(xiii) What is the reference period for the FREL/FRL?	1	The reference period applied for the construction of the UNFCCC technically assessed FREL was 1990-2012. However, following the guidance contained in footnote 3 of row 2a(xiii) of the scorecard, Indonesia recalculated its reference level based on a period of 20 years and included these estimates in its funding proposal.
(xiv) How does the reference level for the results included in the proposal compare to the previous reference level that applies to the same area?	1	No previous REDD+ reference level had been submitted by Indonesia to the UNFCCC.
(xv) Has the country provided information on aggregate uncertainties, taking into account national capabilities and circumstances?	0	Indonesia did not provide information on aggregate uncertainties related to its FREL (which was submitted in 2016, according to paragraph 1 of the TAR).
B.2. REDD-plus results reporting		
Criteria	**Score**	**Remarks**
(i) Are the reported results in the technical annex to the BUR consistent with the FREL/FRL (including the same pools, activities and gases)?	2	According to paragraph 15 of the TATR, the LULUCF experts noted that Indonesia ensured overall consistency between its FREL and its estimation of the results of the implementation of the activities

		reducing emissions from deforestation and reducing emissions from forest degradation in 2013–2017. Moreover, the LULUCF experts noted that the inclusion of carbon pools and gases was fully consistent between the FREL and the estimation of the results (paragraph 31 of the TATR). In its funding proposal, Indonesia notes that in recalculating the FREL to represent 1993 – 2012, and presenting the corresponding results, for the sake of the funding proposal, full consistency has been maintained, as there have been no changes to methodologies, definitions, or comprehensiveness for either the recalculated FREL or corresponding results. Indonesia further reports that the only change made was the modification to the time period over which the methodological approach was applied.
(ii) Are the data and information provided in the technical annex transparent? (Has information been provided to allow an understanding of how UNFCCC guidance on results reporting has been addressed?)	2	According to paragraph 24 of the TATR, the data and information provided in the technical annex were considered by the LULUCF experts to be transparent, consistent, complete and accurate to the extent possible. Although some of the elements required by COP decisions or allowing for the reconstruction of results were not explicitly described in the technical annex, relevant information and data to allow for the reconstruction of results were obtained from the documents referred to in the technical annex or the responses from the Party to the questions of the LULUCF experts during the TA.
(iii) Are the data and information provided in the technical annex complete? (Has information been provided that allows for the reconstruction of the results?)	2	The LULUCF experts concluded that Indonesia provided the necessary information to allow for the reconstruction of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation. The data and information provided in the technical annex are considered to be transparent, consistent, complete and accurate to the extent possible. Although some of the elements required by COP decisions or allowing for the reconstruction of results were not explicitly described in the technical annex, relevant information and data to allow for the reconstruction of results were obtained from the

		documents referred to in the technical annex or the responses from the Party to the questions of the LULUCF experts during the TA (paragraph 24 of the TATR).
(iv) Are the data and information provided in the technical annex consistent? (Were data and methodologies applied consistently over the results time series?)	2	According to the TATR (paragraph 15), the LULUCF experts noted that Indonesia ensured overall consistency between its FREL and its estimation of the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation in 2013–2017, including with regards to the use of consistent methodologies and data to generate AD, EFs, and the use of the same forest definition that was used in the construction of the FREL. In view of the above, the LULUCF experts concluded (paragraph 17 of the TATR) that the results presented of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation are consistent with the assessed FREL. The LULUCF experts commended Indonesia for ensuring the full consistency of the data and methodologies described in the FREL for 1990–2012 and in the technical annex with the results of the implementation of the activities reducing emissions from deforestation and reducing emissions from forest degradation for 2013–2017. In its funding proposal, Indonesia notes that in recalculating the FREL to represent 1993 – 2012, and presenting the corresponding results, for the sake of the funding proposal, full consistency has been maintained, as there have been no changes to methodologies, definitions, or comprehensiveness for either the recalculated FREL or corresponding results. Indonesia further reports that the only change made was the modification to the time period over which the methodological approach was applied
(v) Are the data and information provided in the technical annex accurate? (Does the annex neither over- nor under-estimate emissions and/or removals?)	2	The LULUCF experts considered the data and information provided in the technical annex to be transparent, consistent, complete and accurate. Moreover, they found that the results are accurate to the

		extent possible, based on the assumptions used (paragraph 24 of the TATR). Nevertheless, as mentioned before, the independent TAP found that the FREL used by Indonesia to estimate the results is not accurate because the average annual emissions from deforestation and forest degradation over the reference period were not calculated properly. This implies that the results estimated based on such FREL are also erroneous. However, as noted before, in its revised funding proposal Indonesia corrected these issues.
(vi) How many years are there between the last year of the FREL period, and the year corresponding to the results being proposed for payments?	2	The results period being proposed for payment through the GCF is 2014-2016. The last year of the FREL period included in the FREL submission to the UNFCCC is 2012, so the number of years between the last year of the FREL period and the year corresponding to the results being proposed is 2.
(vii) Has the country provided information on aggregate uncertainties, considering national capabilities and circumstances?	0	Indonesia does not provide information on aggregate uncertainties related to the results.
(viii) Has information been provided on payments that have been (or are expected to be) received from other sources for results recognized by the country[a] from the same national or subnational area during the period for which a country is proposing to receive payments from GCF? And has the country provided sufficient assurance that results already paid for by other sources have been excluded from the total volume offered to GCF?	2	In its funding proposal, Indonesia notes that, to date, it has not received any REDD+ results-based payments from any donors and other sources, and provides information on payments expected to be received)mainly from the government of Norway under the Indonesia-Norway Partnership) and the GCF, as well as data on indirect and direct finance contributions to the achievement of REDD+ results (section B.2 (viii). In order to ensure that the results paid for by other sources are excluded from the total volume offered to the GCF, Indonesia has excluded the year 2017 in its entirety from its proposal to the GCF.
(ix) Are the results proposed to GCF for payment included in a registry or similar system, that tracks emission reductions and corresponding	2	In its funding proposal, Indonesia notes that it has established a National Registry System (or SRN) for the implementation of REDD+

payments[b] to ensure there is no past or future double payment (or use) of such emissions reduction?		at national and subnational levels. The SRN is intended for: data collection action and support for climate change including on REDD+ actions and resources and for the avoidance of double-counting. The SRN includes data and information on the FREL/FRL, MRV of results, as well as the contribution to achievement of the NDC. Indonesia further notes that the National Registry System Manager is responsible for maintaining consistency between data and information on the implementation of REDD+ at the national and subnational levels and avoidance of double counting.
Total score section B	**36**	
Any fails	☐ Yes ☒ No	

[a] Through the REDD-plus national entity or focal point, where appointed.
[b] For each of these results, tracking information should identify (at a minimum) the corresponding national or subnational area, the entity eligible to receive payment, the year generated, and the source of results-based payments received and, where possible, the identifying number.

Section C: Non-carbon elements		
C.1. Cancun Safeguards Does the summary of information on safeguards provide information on how each of the safeguards below were addressed and respected in a way that ensures transparency, consistency, comprehensiveness and effectiveness?		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
(i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.	Pass	

(ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.	Pass	
(iii) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.	Pass	
(iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision.	Pass	
(v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the 12 protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.	Pass	
(vi) Actions to address the risks of reversals.	Pass	In its funding proposal, Indonesia summarizes a number of policies and measures it has put in place to address the risk of reversals. It also notes that the risk of reversals of the emissions reductions paid by the GCF is relatively low (in the sense that they don´t represent a significant amount of the total volume of emissions reductions achieved by Indonesia in the period 2014-2017) and that it could be compensated with surplus emissions reductions that are not being paid for by the GCF. In this respect, it is important to note that such compensation is not ensured, as nothing prevents the government of Indonesia from obtaining payments for the rest of the results obtained in the 2014-2017 (e.g. there is no proposal to create a buffer in order to guarantee that the ERs offered to the GCF will be backed up in an amount reflecting the risk of reversals).

(vii) Actions to reduce displacement of emissions.	Pass	Indonesia presents information on the actions it is undertaking to reduce the displacement of emissions resulting from the implementation of REDD+ in the country, including the country´s national REDD+ Strategy (STRANAS), which is considered as an integrated package of policies and measures to address the drivers of deforestation on a *national* scale, and therefore is deemed to reduce the risk of displacement.
C.2. Use of proceeds and non-carbon benefits		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Has information been provided on how proceeds will be used consistent with GCF policies? Has information been provided on how the proceeds will be used in a manner consistent with the country's NDC, national REDD-plus strategy and/or low carbon development plans and policies? Has information been provided on how the proceeds will be used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits?	2	
Total score section C	**2**	
Any fails	☐ Yes ☒ No	

Section D: Investment framework		
Criteria	**Evaluation (High/Medium/Low)**	**Remarks**

Impact potential	Evaluation	☒ The relevant mitigation and/or adaptation impact is specified. ☒ The GCF core indicators (and other indicators) are provided with specific values. ☒ Methodologies provided for calculating non-GHG indicators are clear and robust. ☒ The proposal compares the indicator values against appropriate benchmarks to demonstrate the impact potential.
Paradigm shift potential	Evaluation	The proposal clearly: ☒ describes the potential for scaling up to the country's NDC, national REDD-plus strategy and/or low-carbon development plans and policies. ☒ explains how the programme contributes to strengthening knowledge and learning. ☒ describes how proposed measures will create an enabling environment and contribute to innovation, market development and transformation. ☒ explains how the programme strengthens the regulatory framework and policies. ☒ demonstrates paradigm shift potential for catalysing impact beyond a one-off payment.
Sustainable development potential	Evaluation	☒ The proposal demonstrates environmental, social and economic impact, including the gender sensitive development impact.
Needs of the recipient	Evaluation	The proposal clearly: ☒ describes the degree of vulnerability of country/population and demonstrates that the programme addresses the issues. ☒ explains in detail how the programme addresses financial, economic, social and institutional needs.

Country ownership	Evaluation	The proposal: ☒ sufficiently explains how the programme contributes to a national climate strategy and/or policy. ☒ specifies in detail how the multi-stakeholder consultation was conducted.
Efficiency and effectiveness	Evaluation	The proposal: ☒ clearly describes adequateness of the financial structure for cost-effectiveness and efficiency. ☒ provides information on financial viability in the long run. ☒ explains in detail the application of best practices and the degree of innovation.
Section E: GCF policies		
For the period of the results considered in the request for proposal		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Environmental and social safeguards (ESS)	Pass	☒ Adequate and sufficient information provided in an environmental and social assessment report describing the extent to which the measures undertaken to identify, assess and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards.
Risk assessment	Pass	☒ Adequate and sufficient information provided that allows for an assessment of the historical performance of the activities undertaken (track record) against the risk tolerance levels specified in the risk appetite statement and the criteria (where applicable) outlined in the risk guidelines for funding proposals.

Gender	Pass	☒ Adequate and sufficient information provided in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy. The assessment by the AE determined the alignment of the PSB and the PLRs with its Social and Environmental Standards which include an overarching principle of gender equality and women's empowerment.
Interim policy on prohibited practices	Pass	☒ Appropriate and sufficient information provided in a due diligence report to demonstrate that no prohibited practices occurred during the implementation of the activities that lead to the REDD-plus results, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.
For the use of proceeds		
Criteria	**Evaluation (Pass/Fail)**	**Remarks**
Environmental and social safeguards (ESS)	Pass	☒ Adequate and sufficient information provided in an environmental and social management framework that will describe how environmental and social risks and impacts will be identified, assessed and managed in a manner consistent with ESS standards of GCF, including the determination of the relevant environmental and social risk category of the proposed activities.
Risk assessment	Pass	☒ Adequate and sufficient information provided that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the risk appetite statement and allows for performance monitoring and evaluation against the criteria (where applicable) outlined in the risk guidelines for funding proposals.
Gender	Pass	☒ Adequate and sufficient information provided on how the AE will undertake an activity-level gender assessment and action plan once the details of the activities become known.
Monitoring and evaluation	Pass	☒ Adequate and sufficient information provided on how the activities to be undertaken with GCF proceeds comply with the GCF monitoring and accountability framework.

Policy on prohibited practices	Pass	☒ Appropriate and sufficient information provided that assures that the activities with use of proceeds will follow the interim policy on prohibited practices, such as: undisclosed prohibited practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the prohibited practices; and double payment or financing for the same results achieved, etc.
Indigenous Peoples policy	Pass	☒ Adequate and sufficient information provided on how the activities will meet the requirements of the policy and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.

Response from the accredited entity to the independent Technical Advisory Panel's assessment (FP130)

Proposal name:	Indonesia REDD-plus RBP for results period 2014-2016
Accredited entity:	United Nations Development Programme (UNDP)
Country(/ies):	Indonesia
Project/programme size:	Medium

Impact potential
UNDP welcomes ITAP findings that the proposal has a High Impact potential. UNDP agrees with the need to focus investments and ITAP acknowledgement of the 11 pilot provinces. It is important to highlight however, that the use of proceeds will be considered by the government in coordination with other sources of funding (of which the vast majority originates from domestic budget). Regarding strong enforcement of the forest moratorium, UNDP agrees on its importance and refer to the role of the Indonesian Cabinet Secretary Office that coordinates and tracks progress made by each ministry and agency with assigned responsibilities to implement this Presidential Instruction.
Paradigm shift potential
UNDP is in agreement with ITAP assessment findings that the proposal has a High Paradigm Shift potential, thanks to the strong support to decentralized sustainable management of forests through the operationalization of Forest Management Units (FMUs) – as well as social forestry (SF) – and the effective decentralization of the governance of the REDD+. UNDP agrees and confirms that the government of Indonesia is committed, including through this project, to continue to resolve legal and regulatory bottlenecks and strengthen the Unit specifically responsible to oversee SF Program.
Sustainable development potential
UNDP agrees with ITAP assessment findings that the proposal has a High Sustainable development potential, thanks to the social forestry programme – and FMUs – in combination with further improvement and operationalization of the REDD+ architecture including tools to better monitor and act to reduce deforestation and forest degradation.
Needs of the recipient

UNDP fully agrees with ITAP assessment findings regarding the large needs of the recipient considering the sheer size of the country, which are further worsened by the current COVID-19 crisis. UNDP believes that the proposed use of REDD+ RBPs can contribute to providing relief to targeted vulnerable communities and support sustainable recovery.

Country ownership

UNDP agrees with ITAP assessment that Indonesia has the right policies, strong institutional framework and socially inclusive processes in place to advance the National REDD+ Strategy in line with the purpose of the proposed project.

The Indonesia proposal was the first to apply the guidance for FREL reference periods exceeding the maximum of 20 years (footnote 22 of the ToRs). In doing so, maintaining full consistency with the UNFCCC assessed FREL without changing annualized estimations proved challenging. Particularly for peat decomposition which have a high level of uncertainty and tend to grow over time. Indonesia is improving the accuracy of this data noting that this is an important aspect of its national circumstances. We welcome ITAP's recommendation for the revised scorecard to better reflect national circumstances.

Efficiency and effectiveness

UNDP fully supports ITAP assessment findings that GCF RBP is particularly timely (particularly in the context of COVID-19), the budget balanced and that Indonesia has the institutional capacity and policies in place as to make effective and efficient use of these resources, including the important role of the BPDLH (Environmental Fund Management Agency).

Overall remarks from the independent Technical Advisory Panel:

UNDP is in general agreement with ITAP assessment findings and recommendations.

UNDP noted that the ITAP concluded that Indonesia did not provide information on aggregate uncertainties and therefore assigned a score of zero in the case of both the FREL and results. Noting that uncertainty estimates were provided in the FREL submission as well as in the BUR technical annex. These covered selected sources of error, while the AT saw broadening the scope of the uncertainty analysis to cover further potential sources of errors an area for technical improvement. The government of Indonesia is committed to and has already taken steps to address the recommendations from the Technical AT; further improve its FREL and BUR REDD+ annex; further enhance its internal QA/QC procedures. The use of proceeds from this RBPs pilot-program will provide much welcome additional support to this end.

UNDP reiterates that REDD+ RBPs projects are inherently very different from usual projects - proceeds are provided for results already achieved in the past (i.e. emissions reductions expressed in t_{CO2eq}). As highlighted by ITAP, the use of proceeds will clearly contribute to the

implementation of the Indonesia National REDD+ Strategy (STRANAS), sustainable management of forests and improved decentralization forest governance.

The GCF will be paying for about 19% of the total volume of emission reductions achieved reducing deforestation in Indonesia in years 2014 to 2016. This means that the risk of reversals of emissions paid for by the GCF is relatively low and could be compensated with surplus emissions that are not being paid for by the GCF. The government of Indonesia has nevertheless invested in several policies and measures to address the risk of reversals; these were presented in the funding proposal.

Preliminary Gender Assessment and Action Plan

Contents

1. Introduction

The Green Climate Fund recognizes the central importance of gender considerations in terms of both impact and access to climate funding, and requires a Gender Assessment and Gender Action Plan to be submitted as part of the funding proposals that it assesses. The main objective of the Gender Assessment is to screen the gender aspects of the GCF project, and to subsequently strengthen the gender responsive actions within the project. It is within this context that this gender assessment aims to provide an overview of the gender dynamics in Indonesia, with a focus on REDD+ and related thematic areas, specifically as they refer to the results period of 2014 to 2016 as well as the investment of proceeds for this proposal. The information and design considerations in this Annex should not be considered additional, but rather part of the basis of the proposal, including its Stakeholder Engagement and Environmental and Social Management Framework (ESMF) Annexes.

This gender assessment also identifies gender issues that are relevant to the project and examines potential gender mainstreaming opportunities. The assessment was based upon available data from studies conducted by the Government of Indonesia, donor agencies, and multilateral organizations; and included:

1. Undertaking a desktop review and aligning approaches in this proposal with the national priorities of Indonesia;
2. Reviewing and considering national aspirations as detailed in the national policies and agenda on gender and women's empowerment;
3. Incorporating information and lessons learned from past studies and assessments on gender in Indonesia from the Government of Indonesia, the United Nations and international development organizations;
4. Integrating gender considerations in the project indicators, targets, budget and activities, and identifying women as leaders and decision-makers.

2. Existing Gender Dynamics and Inequalities in Indonesia

According to Indonesia's 2010 Population Census results, there are 237,641,326 people in Indonesia, of whom 49.7% are women. In total, 52.6 million households (84 percent) are headed by men, while 8.5 million households (14 percent) are headed by women. This is an increase from 2000, in which the number of female-headed households was 6.2 million of the total number, or 12.2 percent. In 2010, both male and female household heads were almost evenly distributed between urban and rural areas. Among the female household heads, there was relatively more youth (around 0.7 million out of 8.5 million or 8.2 percent) than among male household heads (around 1.9 million out of 52.6 million or 3.6 percent). In addition, when comparing the proportion of male and female-headed households, female-headed households were found to be slightly poorer than male-headed households within both the urban and rural areas. This assessment was based on the dwelling unit condition and home

facilities, such as floor area and materials and having toilet facilities, telephone, access to internet and unprotected water sources. [1]

Although a girl cannot legally marry before the age of 16 in Indonesia, many below that age were still recorded as married in the 2010 Population Census. Based on this data, the 2015 United Nations Population Fund (UNFPA) Monograph Series on Women and Girls in Indonesia shows that 11 percent of women had been married under the age of fifteen. Moreover, about 43.2 percent of women had been married under the age of eighteen. Women in rural area are more likely to be a child-bride due to poverty, limited access to education and information, and certain religious views.[2]

In addition, Indonesia's National Commission on Violence against Women (Komnas Perempuan) publishes Annual Notes (CATAHU) on violence against women every year. This Annual Note is the yearly data compiled from the real cases reported directly from the victims to Komnas Perempuan, cases handled by community service institutions for women victims of violence and cases reported to state institutions, including law enforcement agencies, religious courts and Komnas Perempuan's partner service providers. In 2019, the CATAHU reported 406,178 cases, which is an increase from 2018 and 2017, in which 348,466 and 259,150 cases were reported respectively.[3]

Within this context, as will be illustrated below, Indonesian women and girls have nevertheless made some strides forward in recent years. This has been achieved due to a number of factors including economic growth as well as the Government's efforts to promote gender inclusivity, as seen through its issuance of the Gender Mainstreaming decree in 2000 (discussed more in Section 3 below). However, there still are several areas in which women and girls are consistently behind men and boys. Gender gaps, for example, continue to be seen in education, employment and wages and will most likely continue unless policies are put in place to address such gender inequalities and inequities.[4]

2.1 Gender Inequality Index

Through the years, several indices have developed to quantify the concept of gender inequality. The United Nations Development Programme uses the Gender Inequality Index (GII) and Gender Development Index (GDI). GII is a composite measure that shows inequality in achievement between women and men in reproductive health, empowerment and the labour market while the GDI measures achievement in human development in three areas: health, education, and command over economic resources. The GDI considers the gender gaps on human development between men and women.

[1] United Nations Population Fund (2015). "Women and Girls in Indonesia: Progress and Challenges". Available at: https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women%20and%20Girls%20in%20Indonesia.pdf
[2] Ibid
[3] National Commission on Violence against Women (Komnas Perempuan). "National Human Rights Institution Independent Report on 25 Years of Implementing the Beijing Platform for Action (BPfA+25) in Indonesia". Submitted to the Commission on the Status of Women (CSW) 27 September 2019. Available at: https://ngocsw.org/wp-content/uploads/2019/10/Komnas-Perempuan-Independent-Report-BPFA25.pdf
[4] United Nations Population Fund (2015). "Women and Girls in Indonesia: Progress and Challenges". Available at: https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women%20and%20Girls%20in%20Indonesia.pdf

Indonesia has a GII of 0.453, ranking it 104 out of 160 countries in the 2017 index. The 2017 female Human Development Index (HDI) value for Indonesia is 0.666 in contrast with 0.715 for males, resulting in a GDI value of 0.932, which places the country into Group 3 (medium equality in HDI achievements between women and men).[5]

The Global Gender Gap Index (GGGI) of the World Economic Forum examines the gap between men and women in four categories: economic participation and opportunity, educational attainment, health and survival; and political empowerment. Out of 149 countries, Indonesia's rankings, based on GGGI in the year 2018, are given below[6]:

Description	Score	Rank
Economic participation and opportunity	0.629	96
Educational attainment	0.967	107
Health and survival	0.974	79
Political empowerment	0.193	60
Gender Gap Index 2018	0.691	85

* Inequality = 0.00; Equality = 1.00. Source: The Global Gender Gap Report 2018

The Organization for Economic Cooperation and Development (OECD) developed the Social Institutions and Gender Index (SIGI), a composite index that scores countries (i.e., 0 to 1) on 14 indicators grouped into five sub-indices: discriminatory family code, restricted physical integrity, son bias, restricted resources and assets, and restricted civil liberties to measure the discrimination against women in social institutions across 160 countries. The 2019 SIGI value for Indonesia is 0.401, suggesting that discrimination against women is high.[7]

2.2 Education[8]

Prior to 1900, women in Indonesia were given fewer opportunities than men to develop themselves, including in terms of education. During this time they were generally not allowed to go to school. After independence and due to Indonesia's various constitutions, legislations and policies, which guarantee the right for every citizen to education, women began to see a slight improvement in being able to receive an education. Since the 1970's, there have also been a series of policies implemented to remove various barriers to education. The outcome of these policies has been positive, with women also showing an increased desire for an education. Some key education programmes over the years have included the Presidential Instruction (Inpres) on aid for construction of primary school buildings and *Wajar* (Compulsory Education) for 6 Years, 9 Years and 12 Years.

[5] United Nations Development Programme (2018). Briefing Note for Countries on the 2018 Human Development Report: Indonesia. Available at: http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/IDN.pdf
[6] World Economic Forum. The Global Gender Gap Report 2018: Available at http://www3.weforum.org/docs/WEF_GGGR_2018.pdf

[7] OECD. Social Institutions and Gender Index 2019. Available at: https://www.genderindex.org/ranking/
[8] United Nations Population Fund (2015). "Women and Girls in Indonesia: Progress and Challenges". Available at: https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women%20and%20Girls%20in%20Indonesia.pdf

According to data within Indonesia's 2010 Population Census, 95.3 percent of children aged 7-12 years and 85 percent of children aged 13-15 actively went to school. However, senior-secondary school-aged children and university-aged youth rates were much lower, at 52.8 percent, and 15.1 percent, respectively. This data revealed that there are gender gaps, wherein school enrolment among females is higher compared to males up until the 13-15 year age cohort. For example, for the 7-12 age cohort, 94.5 percent of males and 95.3 percent of females were enrolled in school. Thereafter, the opposite is true in the higher levels of education, such as senior high school and university. For example, for the 16-18 age cohort, 53.2 percent of males and 52.4 percent of females were enrolled in school.

This data also revealed that both girls and boys suffer from inequality when it comes to geographical location of education facilities, where there is a marked disparity between urban and rural regions. This suggests that location of residence often is a reason for why a child does not go to school. To illustrate, for the 13-15 age cohort, 87.8 percent of males in urban areas and 79.6 of males in rural areas were enrolled in school. The similar holds true for females, in which 88.1 percent of females in urban areas and 82.2 of females in rural areas were enrolled in school.

2.3 Health

Per data from 2012, maternal and child health concerns require attention, wherein progress on maternal health has slowed in recent years. Its maternal mortality ratio, estimated at around 228 per 100,000 live births, has remained above 200 over the past decade, despite efforts to improve maternal health services. The probabilities of the child dying at different ages are 19 per thousand for the neonatal period; 15 per thousand from 2 to 11 months and 10 per thousand from age one to five years.[9]

Due to improvements in mothers' education, household and environmental hygiene, income and access to health services, Indonesia's child mortality due to infections and other childhood illnesses, has declined. Neonatal mortality remains the main hurdle in reducing further child deaths, wherein most of the causes of neonatal deaths are preventable. In both rural and urban areas and across all wealth quintiles, progress in reducing the neonatal mortality rate has slowed down in recent years. And while rural households still have an under-five mortality rate which is one-third higher than that in urban households, in some cases, rural mortality rates are falling faster than urban rates. This could be due to increases in urbanization rates, leading to overcrowding and poor sanitation conditions amongst the urban poor, then paired with the loss of traditional social safety nets as well.[10]

Indonesia continues to also suffer from issues with malnutrition, which in turn, has large impacts on women and children. For example, although data is limited and a bit dated, health surveys conducted in 2007 revealed that many pregnant women suffer from anemia. While the prevalence of anemia dropped from 40.1 percent in 2001 to 24.5 percent in 2007, many mothers still do not take sufficient supplements. Additionally, infant and child feeding practices often remain inadequate. Only 43.9 percent of children start breastfeeding within an hour of birth and young children receive complementary food too early. For example, it was found that at 4-5 months of age, 52.9 percent are

[9] UNICEF Indonesia (2012). Issue Brief: Maternal and Child Health. October. Available at: https://www.medbox.org/id-mother-child-health/unicef-indonesia-issue-briefs-maternal-and-child-health/preview?q=
[10] Ibid

receiving a form of solid or semi-solid food.[11]

In addition, Indonesia is considered to have a one of the fastest growing AIDS epidemic in Asia. While the total number of HIV infected individuals remains low, the rate of the increase is a concern. The new cases are concentrated in key populations, such as sex workers (who are mostly women) and their male clients. To make the situation worse, often female sex works have limited access to HIV testing.[12]

2.4 Political participation, decision-making and agency

Per the Constitution, women have the same rights as men to hold political and public office and there are no formal barriers to women's political participation. Nevertheless, traditionally, the political arena has been male dominated. Seeing this gender gap in political participation and the need to increase women's political participation, the Government of Indonesia passed Law No. 10/2008 which made it compulsory for political parties to include a minimum of 30 percent women candidates. The revised law also requires parties to place at least one woman among its top three ranked candidates. There are, however, no specific sanctions for non-compliance.[13]

In addition, Law 8/2012 (Article 55) on General Elections requires that the list of nominees of candidates for members of the House of Representatives contain at least 30 percent of women's representation. However, per a CEDAW Shadow Report from 2016, the required 30 percent quota of women representatives in parliament has not been reached in either the national and regional parliaments. Female participation in politics has nevertheless increased over the last decade, and with it a decrease in views that politics is a men's only domain. To illustrate, in 1999 women occupied 9.6 percent of the seats in parliament and in 2014 17.32 percent.[14] In 2017, it was reported that there were nine women ministers in the Cabinet (25 percent), 126 women Deputy Ministers or Director General (21 percent) and 2,295 women Directors or Head of Bureau (16 percent) in government institutions. In addition, 76 women have also been elected as regents/mayors (14.78 percent).[15]

There does, though, remain a preference for male candidates by many voters. For example, during election campaigns in the country, it is common for community and religious leaders and for male legislative candidates to publicly question the morality of women running for office. At the local level, these perspectives are even more prominent, wherein there are various laws regulating women's appearance and conduct. Laws discriminating against women, typically promoted in the name of religious and moral decency, include dress codes, the public segregation of men and women, and rules

[11] Government of Indonesia, World Bank, AusAID, CIDA, The Netherlands Embassy, DFID, and ADB (2011). Indonesia Policy Brief, no. 2: Gender Equality and Health. Available at: http://documents.worldbank.org/curated/en/306461468267883109/pdf/730300REVISED00C00Gender0brief020en.pdf
[12] Ibid
[13] OECD. Social Institutions and Gender Index 2019. Country Profile: Indonesia. Available at: https://www.genderindex.org/wp-content/uploads/files/datasheets/2019/ID.pdf
[14] Hillman, B. (2017) Increasing Women's Parliamentary Representation in Asia and the Pacific: The Indonesian Experience. Asia & the Pacific Policy Studies, 4: 38–49. Available at: https://onlinelibrary.wiley.com/doi/full/10.1002/app5.160
[15] United Nations Human Rights Council (2017). Indonesia: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21.

curtailing women's mode of travel and movements at night, all of which limit women's mobility and ability to run for office. Furthermore, in the absence of public campaign funding, candidates need the support from the business community. Given the cultural stigma with women running for office, this funding issue is another significant barrier to women's entry into political office in Indonesia, as men are generally better connected within such business circles.[16]

While gender inequalities exist in many facets of Indonesian society, as discussed above, women's collective action within groups and civil society is helping to break down unequal social norms and structural barriers to gender equality.17 There are various organizations at the international level that are also working to help marginalized women by working with civil society organizations (CSOs) to empower women and influence government policies at the local and national levels. For example, MAMPU, an Australian Government (DFAT) and Government of Indonesia (BAPPENAS) partnership, works to improve the access of poor women to essential services. Through this collaboration alone, this grassroots work has reached some 900 villages across 27 provinces. As of mid-2018, some 1300 women's groups with 32,000 members have directly or indirectly benefitted from this work.[18]

2.5 Labor force participation and earnings[19]

While the Constitution notes that every citizen is entitled to employment and a decent living, this entitlement has not been fully realized for women. For example, due to societal and cultural norms, many women take on unpaid care work at home, including managing the household and raising children, instead of paid work outside the home. It is commonly held that the reasons for why a woman does not join the formal work force are either that she is not educated enough to meet the educational qualifications demanded of the job, or she has freely chosen to remain at home to fulfil her household obligations.

According to data within Indonesia's 2010 Population Census, men of the working age group were mostly employed (79.6 percent), whereas only less than half of the women (45.1 percent) of the same age were employed, with the other half engaged in household duties. To note, in comparison to data from 1990, more women are entering the labor force. To illustrate, in 1990, only 37.7 percent of working age women were employed.

Women's involvement in the labor force is also more dependent on her age than it is for men. Working-aged men from three groups - youth, adult and elderly - were generally involved in income-earning activities. However, only women belonging to the adult subgroups were involved in income-earning activities. Women who were in youth and elder subgroups were instead doing household duties, with the percentage of adult females (37.8 percent) not in labor force shown to be more than that of males (3.6 percent).

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[16] Ibid
[17] Ling, S. "How women are changing Indonesia", available at https://arts.unimelb.edu.au/articulation/editions/2019/december-2019/how-women-are-changing-indonesia
18 See "Reducing barriers to gender equality in Indonesia" at https://www.eastasiaforum.org/2019/03/25/reducing-barriers-to-gender-inequality-in-indonesia/ for more information on this Initiative
[19] United Nations Population Fund (2015). "Women and Girls in Indonesia: Progress and Challenges". Available at: https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women%20and%20Girls%20in%20Indonesia.pdf

Again, according to Indonesia's 2010 Population Census, employed women and men both contributed as much as 40 percent in the agricultural sector. To note, involvement in agriculture does not mean only working in farms but can also include, in the case of some women, of being involved in the decision-making about agriculture. The remaining 60 percent of men worked in the following five sectors: services (16.5 percent), trade (15.5 percent) and manufacturing industry (9.7 percent), and construction and transportation (8.1 percent); while the remaining 60 percent of women were employed in the following three sectors: trade (23.5 percent), services (19.0 percent) and manufacturing (12.7 percent).

In Indonesia, employers are obliged to pay each employee at least the set minimum wage. However, this regulation has yet to be extended to cover those in the informal sector. When disaggregating wage by educational attainment and sex, it appears that the higher the education attainment the less the wage difference, in relative terms, between men and women, other things held constant. In general, the average wage received by women was lower than that received by men. The average wage of women was IDR 1.4 million while that of men was IDR 1.7 million. The lowest wage was that for workers who had no schooling. In this group the average wage received by women was inferior to that received by men, wherein the average women's wage was IDR 547,000 while that of men was IDR 960,000. In other words, women's average wage was only 56.9 percent that of men. The wage received by female university graduates was also lower than that received by their male counterparts at IDR 2,.5 million and IDR 3.6 million, respectively. The one exception to this trend can be seen in the construction, transport and services/finance sectors, wherein women often received wages greater than men's as they were relatively better educated than the men within them.

2.6 Access to land, assets and financial resources

Per various civil codes and laws, married and unmarried women on paper have the same rights as men to own, use, make decisions and use land and non-land assets as collateral. The default marital property regime is partial community of property, wherein both spouses must agree in the administration of marital property. Despite this concept of joint ownership of property purchased during marriage, it is rarely the case that land is registered in the joint name of husband and wife. It is common practice for the husband to register the marital property in his name. In addition, there is little awareness that title certificates for marital property can be issued in the name of both spouses.[20] About 36.2% of married women aged 15 to 49 years own land individually or jointly as opposed to 54.1% of men.[21]

In the case of divorce, the law stipulates that both spouses keep the properties they owned individually prior to the marriage and must divide equally any joint property. Per Islamic Law, under registered marriages, in the case of divorce, each wife to a polygamous marriage also has an equal right to property that was acquired during marriage.[22] However, these rights are not exercised in

[20] OECD (2019). Social Institutions and Gender Index 2019: Country Profile Indonesia. Available at: https://www.genderindex.org/wp-content/uploads/files/datasheets/2019/ID.pdf
[21] Asian Development Bank (2015) Summary of Indonesia's Gender Analysis. No.6/Oct. 2015 ADB Papers on Indonesia. Available at: https://www.adb.org/sites/default/files/publication/177025/ino-paper-06-2015.pdf
[22] OECD (2019). Social Institutions and Gender Index 2019: Country Profile Indonesia. Available at: https://www.genderindex.org/wp-content/uploads/files/datasheets/2019/ID.pdf

practice wherein they are highly likely to lose their land rights upon widowhood, divorce, or desertion.[23]

In term of forests, according to the Forestry Law No. 41 of 1999, nearly the entire forestland is owned by the state. Less than two percent of the forest area is formally designated for communities and indigenous peoples or owned by firms or individuals. However, there are several regulations that allow local communities to engage in forest management through mechanisms that include community forest, village forest, community timber plantations, partnership, and customary forest. The permits for such community-based forest management initiatives are usually granted to community groups that form local institutions, such as cooperatives and farmer forest groups. This arrangement has gender implications, as most of the members and leaders of such institutions are men. As such, women have limited involvement in decision-making processes, leading to limited access to the benefits from the initiatives, such as access to knowledge and capacity-building activities as well as funds and payments.[24]

While there is no legal restriction on married women's rights to open a bank account at formal financial institution, Article 108 of the Civil Code creates a barrier to the acquisition of assets, as it prevents married women from executing a deed or agreement on their own behalf and from receiving any payment from the latter without consent of the husband. Although there have been recent amendments to this law, which requires the same consent of co-signing for the husbands, this law is not always enforced with the men consistently.[25]

Furthermore, there is no law prohibiting discrimination by creditors on the basis of gender in access to credit. To note, in the economic sector, there are various credit schemes available for women, such as *perkassa* (credit schemes specifically for women in micro and small enterprises). In the rural sector, the barriers to credit and financial services remains an issue and the microfinance industry in Indonesia does not often target women. In addition, many women entrepreneurs have limited knowledge in business development and face discrimination in dealing with government staff. Women also tend to register their business in their husband's name as the men are seen as the head of the household.[26]

3. Legal and Administrative Framework Protecting Women and Protecting Gender Equality

3.1 Key International Protocols and Frameworks Ratified by Indonesia in Support of Gender Equality and Women's Empowerment and Human Rights

Indonesia has ratified and/or signed many key international conventions, treaties and plans of actions

[23] Asian Development Bank (2015) Summary of Indonesia's Gender Analysis. No.6/Oct. 2015 ADB Papers on Indonesia. Available at: https://www.adb.org/sites/default/files/publication/177025/ino-paper-06-2015.pdf
[24] Women Organizing for Change in Agriculture and Natural Resources Management (2012). A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia. UN-REDD Programme. Available at: http://www.wocan.org/resources/guidance-note-integrate-gender-implementing-redd-social-safeguards-indonesia
[25] OECD (2019). Social Institutions and Gender Index 2019: Country Profile Indonesia. Available at: https://www.genderindex.org/wp-content/uploads/files/datasheets/2019/ID.pdf
[26] Ibid

on gender equality, women empowerment and human rights. Critical among them are:[27]

- United Nations Convention on the Political Rights of Women, ratified by Law 68/1958;
- United Nations Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), ratified by Law number 7/1984;
- Optional Protocol to the CEDAW, signed by the Government in 2000;
- International Labor Organization's (ILO) Convention number 100 on Equal Remuneration for Men and Women Workers for Work of Equal Value, ratified by Law number 80/1957;
- International Covenant on Economic, Social and Cultural Rights, signed by the Government in 2006;
- International Covenant on Civil and Political Rights signed by the Government in 2006.

The country has also committed itself to acting upon the recommendations of the 1994 Copenhagen Declaration on Social Development, the 1995 Cairo International Conference on Population and Development and the 1995 Beijing Platform for Action.[28]

3.2 Key National Frameworks, Policies, Laws and Programs Supporting Gender Equality and Women's Empowerment

3.2.1 Policies, Laws and Frameworks

While gender gaps in national policies and laws are still present, Indonesia does continue to improve its legal frameworks, at national and local levels, particularly in terms of implementing policies and programs that focus on the promotion and protection of the rights of women, children, persons with disabilities (PwDs), and older persons.[29] Listed below are key policies, laws and regulations (PLRs) in Indonesia that ensure the protection of rights, freedom and welfare of men and women.

1945 Constitution[30]

The 1945 Constitution of the Republic of Indonesia states, "every citizen enjoys equal status before the law and government and is obliged to uphold this status without exception" (Paragraph 1, Article 27). Paragraph 2 of the same article states that: "every citizen shall have the right to employment and to conditions of life commensurate with human dignity." The democratic reforms of 1999 caused the Government to assess and more intensively track human rights issues as well as refine the Constitution's basic definition of the subject. In response, an amendment to the Constitution was issued in 2000 which recognizes that "every person shall have the right to be free from discriminatory treatment based upon any ground whatsoever and shall have the right to protection from such

[27] Asian Development Bank (2006). Indonesia: Country Gender Assessment. Available at: https://www.adb.org/sites/default/files/institutional-document/32231/cga-indonesia.pdf; and UNDP (2017). UNDP Indonesia Gender Equality Strategy and Action Plan 2017-2020. Available at: https://www.undp.org/content/dam/indonesia/2019/DOCS/CO%20Gender%20Equality%20Strategy%202017-2020.pdf
[28] Asian Development Bank (2006). Indonesia: Country Gender Assessment. Available at: https://www.adb.org/sites/default/files/institutional-document/32231/cga-indonesia.pdf
[29] United Nations Human Rights Council (2017). Indonesia: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21.
[30] Asian Development Bank (2006). Indonesia: Country Gender Assessment. Available at: https://www.adb.org/sites/default/files/institutional-document/32231/cga-indonesia.pdf

discriminatory treatment."

Although it does not specifically distinguish the citizens into female and male citizens within it, the Constitution is one of the basic legal foundations for women's rights in Indonesia. While it does provide a sound foundation for promoting equal rights between men and women, as this study reveals, much remains to be done in ensuring these foundations are in fact followed and put into practice.

1984 Law on the Ratification of CEDAW

In line with its Constitution, through the ratification of this law, Indonesia showed its support and approval in the participation of international efforts to eliminate all forms of discrimination against women. In the text of the law to ratify CEDAW, it is noted that in its implementation, the provisions of CEDAW must be adjusted to the order of life in society of Indonesia, which contains cultural values, customary values, and religious norms applied and widely followed by the Indonesian people. It also notes that its implementation of the provisions of CEDAW aligns with the order of life that is intended by the Indonesian nation.

Presidential Instruction No. 9/2000 on Gender Mainstreaming in National Development

This instruction aims to enhance the position, role and qualities of women to achieve gender equality in the family, society and the nation. It instructs all government bodies to implement gender mainstreaming for planning, formulation, implementation, monitoring and evaluation of national development policies and programs in accordance with their responsibilities, functions and authorities. It also guides the State Minister of Women's Empowerment to give gender mainstreaming technical assistance to government agencies and institutions at both the national and subnational level as well as to report the result of gender mainstreaming implementation to the President.

Law No. 8/2012 on General Elections[31]

Under this law, the general election of the members of the House of Representatives, People's Representative Council, and Regional House of Representatives political parties are required to have a minimum of 30 percent women candidates to be elected to the parliament. As of 2017, currently, there were 97 women serving in the parliament (17.23 percent). Thus, to work towards achieving this target, three aspects were also introduced within this law. Firstly, the law encourages the appointment of more women in senior leadership positions in both public and private sectors. Secondly, the law stipulates mandatory gender mainstreaming curricula in all compulsory trainings and education at all levels. Lastly, it calls for the implementation of national gender mapping in politics to assess the representation and needs of women, as voters and candidates, to help design effective information sharing and training programs on politics and leadership for women.

National Medium-Term Development Plan (RPJMN) of 2015–2019

One of the Plan's eight objectives for its vision integrates gender considerations. It calls for equitable development, in which discrimination in various aspects, including gender, is abolished. In addition, the Plan states five challenges to human resources development, of which two have direct linkages to

[31] United Nations Humand Rights Council (2017). Indonesia: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21.

gender-related issues. For example, it notes that there is a challenge on accelerating the promotion of gender equality. However it also highlights that women's role in development is helping to address this issue by increasing the understanding, commitment, and ability of decision makers and development actors on the importance of integrating a gender perspective in all fields and stages of development, strengthening gender mainstreaming institutions including gender responsive planning and financing in central and regional levels. It also notes that the efforts to increase the protection of women and children from violence and other wrongdoings is changing society's permissive attitude and other cultural practices.

Furthermore, the Plan includes gender equality and women's empowerment as part of its human and society development targets, in which two indicators on gender have been established. It also promotes gender equitable initiatives, wherein keys components of its national development agenda are increasing the role and representation of women in politics and development and protecting women, children, and marginalized groups.

3.2.2 Ministerial Policies and Programs on Gender

The Ministry of Women Empowerment and Child Protection (MoWECP) launched a flagship program called 3Ends Program in 2016. The program focuses on ending: (i) violence against women and children; (ii) human trafficking; and (iii) barriers to economic justice for women. The strategy to end violence against women and children includes: (i) ensuring the accessibility of information on the rights of women and children; (ii) enhancing the capacity of local institutions, including at the village/sub-district level; (iii) enhancing the capacity of local integrated task force on women and children; and (iv) mobilizing the participation and support of all Ministries/Agencies, local government, and civil society. The strategy to end trafficking of women and girls includes: (i) developing early detection system on trafficking in persons (TIPs); (ii) raising the awareness of the community, including men and boys, and encouraging their active participation in the early detection system; (iii) building inter-agencies synergies within the National Task Force for Trafficking in overseeing cases of TIPs; and (iv) ensuring full and mandatory training for all prospective migrant workers. Lastly, the strategy to end barriers to access economic justice for women includes: (i) ensuring relevant Ministries/Agencies conduct training and capacity building for women entrepreneurs; (ii) expanding access and ensuring rights of all women to economic resources, including business financing such as loan and credit from financial institutions; (iii) providing an alternative financing and capital for women entrepreneurs in small and micro enterprise; and (iv) building financing support and alternative facilities for women innovators in economic sectors.[32]

Particularly relevant in the context of gender and REDD+ in Indonesia is the "Regulation of the Minister of Environment and Forestry Number P.31/Menlhk/Set Jen/Set.1/5/2017 on Guidelines on the Implementation of Gender Mainstreaming in the Environment and Forestry Sector" issued by the Ministry of Environment and Forestry (MoEF) in May 2017. The regulation recognizes that acceleration is required in regard to the promotion, effectiveness and optimization gender mainstreaming in M&E, policies, programs, and activities in the environment and forestry sector and emphasizes

[32] United Nations Human Rights Council (2017). Indonesia: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21.

implementation in the field on the Guidelines for Gender Mainstreaming. The guidelines themselves, issued as a Presidential Instruction in 2000, was a strategy aimed at closing the gendered disparity in access, participation, control and benefits of development between women and men. The annex to the regulation recognizes that the Guidelines should not only be limited to the gender gap between men and women, but also increase the social inclusion of other marginalized groups and resolve the disparity of access, participation, control and benefits of development of children, the elderly, persons with disability, Adat communities and other groups. An MoU was also signed between the MoEF and the MoWEPC in 2016.

In addition, to ensure proper implementation of Presidential Instruction No. 9/2000 on Gender Mainstreaming, the Ministry of Finance (MoF), together with MoWECP, Ministry of Home Affairs, and the National Planning Agency, issued a circular letter in order to expedite gender mainstreaming through gender-responsive planning and budgeting within all ministries/governmental units at the national level (SE-33/MK.02/2012). These four ministries are now also in the process of preparing a draft Presidential Regulation to ensure the institutionalisation of gender mainstreaming. This regulation will be legally enforced and will replace the current Presidential Instruction, which only serves as a policy instrument.

3.3 Institutional Arrangements

The Government of Indonesia established the **State's Ministry for Women's Empowerment** in 1978, which was later changed into MoWECP, as the national machinery to ensure the implementation of gender equality and women's empowerment. In line with CEDAW and per Presidential Instruction No. 9/2000 noted above, MoWECP is the lead government agency with a mandate for mainstreaming gender in the government, across sectors and at multiple levels. It provides technical assistance to other ministries to ensure that gender is mainstreamed in their development plans and that this progress is then reported regularly to the President.[33]

The Government has also established the **National Commission in Violence Against Women** in 1998. The Commission is responsible for nurturing an enabling environment and supporting efforts to eliminate all forms of violence against women and to protect women's rights in Indonesia.[34]

Indonesia has also established **units or focal points on women and children under relevant Ministries/Agencies**. These units have been established within the structure of the Coordinating Ministry of Human Development and Culture, MoWECP, Ministry of Social Affairs, Ministry of Health, Ministry of Home Affairs, Ministry of Manpower and the National Police.[35]

In terms of the forestry sector, the Ministry of Environment and Forestry (MoEF) incorporates gender

[33] Women Organizing for Change in Agriculture and Natural Resources Management (2012). A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia. UN-REDD Programme. Available at: http://www.wocan.org/resources/guidance-note-integrate-gender-implementing-redd-social-safeguards-indonesia
[34] Ibid
[35] United Nations Human Rights Council (2017). Indonesia: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21.

into its activities, which included re-establishing its Gender Working Group in 2012. It also began gender responsive budgeting and implemented gender awareness and gender analysis training courses for its staff. The MoWECP also supports MoEF with their gender mainstreaming efforts, which includes its efforts to develop gender indicators for REDD+.[36] The activities of the Gender Working Group have included training on gender mainstreaming, information dissemination and gender responsive budgeting, planning and analysis. However, given the ad hoc nature of the Gender Working Group, an Asian Development Bank (ADB) study found that it has limited authority to make any significant contribution to gender and organizational change, which is the fundamental basis for gender-sensitive programming in the institution.[37] The 2017 MoEF regulation on Guidelines for Gender Mainstreaming noted above aims to address these gaps, requiring that the MoEF must guarantee the availability of human resources, funding and adequate infrastructure to support gender mainstreaming within its scope of work.

The MoF also has a gender working group to support gender mainstreaming within its activities and projects. Illustrating its capacity and effective work on gender mainstreaming, the MoF has received a gender mainstreaming award (known as *Anugrah Parahita Ekapraya*) in 2013, 2016 and 2018.

4. Gender Issues Around Forests and REDD+[38]

Forest resources in Indonesia have not only been the source of the country's economic development but also contribute to rural poor communities' livelihood needs. Women of all rural households are engaged in meeting their families' subsistence and livelihood needs, and given that 40 percent of households in the country are food insecure and earn below two USD per day, access to forest resources remains necessary for poor rural communities to fulfill their subsistence needs. Rural communities that are highly dependent on forests, are most directly and significantly impact by forest degradation and deforestation, and this impact is especially significant for women, considering that they often have a higher degree of dependence on the environment in order to manage daily household tasks. As noted in the GoI Guidelines for Gender Mainstreaming in the Environment and Forests, the disappearance of water sources due to forest destruction causes difficulties for women, which then have to find water at a greater distance or purchase it at a high price, in order to cook for their families.

In Indonesia, women play pivotal roles in forest use and management. While there are variations across the country, in general, women engage in numerous activities around forests, such as collecting firewood, harvesting non-timber forest products (NTFPs) (e.g. honey, medicinal plants, food animal fodder), and forest protection, amongst others. In some instances, women also manage home gardens and nearby forest and fallow areas. This, in turn, allows them to combine child rearing and domestic

[36] Center for International Forestry Research (2016). Gender in Forestry and REDD+ in Indonesia. Available at: https://www.cifor.org/library/6010/

[37] Asian Development Bank (2016). Gender Analysis for Republic of Indonesia: Community-Focused Investments to Address Deforestation and Forest Degradation Project. Available at: https://www.adb.org/sites/default/files/linked-documents/47084-002-sd-05.pdf

[38] Women Organizing for Change in Agriculture and Natural Resources Management (2012). A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia. UN-REDD Programme. Available at: http://www.wocan.org/resources/guidance-note-integrate-gender-implementing-redd-social-safeguards-indonesia

chores with other activities to fulfill subsistence needs. However, due to increasing development of commercial forestry, women experience increasing difficulties to collect items such as water, food and firewood from the forests.

Indonesian women often have limited access to decision-making processes related to forests, including REDD+ projects. While they do play a role and are often engaged in forestry projects, they are not involved in planning and decision making. To illustrate, in some community forestry projects, such as Hutan Kemasyarakatan/HKm, women are often involved in activities such as planting, maintenance, replanting trees, and harvesting and marketing NTFPs but rarely engage in the decision making or hold a leadership position in forest farmer groups. In most cases, members of forest farmer groups are head of the households, who are male. The reasons for why women are minimally involved in forest-related decision making include the following: 1) women's heavy burden of work responsibilities; 2) lower rates of literacy and education of women in rural areas; and 3) the inaccurate assumption that forest-related activities are "men's work".

Similarly, women also have less access to extension or capacity-building activities related to agriculture and forestry, as participation in these activities is usually limited to household heads or community leaders, who are mostly men. As such, women are rarely invited to such meetings. It is common practice to only invite the household heads, and this is viewed as sufficient because the information that they gain will be transferred to the rest of the families, including the wives. However, such communication often does not take place, and as a result, women do not have sufficient access to information about relevant activities, projects, etc., concerning their well-being and the forests they are dependent on.

To note, there are various formal and informal women's groups at the village level that can be channeled and empowered through support from REDD+ and other forest conservation initiatives. For example, many women's cooperatives have been established with support from the National Program for Community Empowerment. Women's farmer groups are also found in villages across the country. Furthermore, many rural women also engage traditional savings collection and loan distribution schemes, which can be leveraged in REDD+ efforts.

5. Gender integration within forest conservation efforts and REDD+ action in Indonesia

5.1 REDD+ Design

From 2010-2013, the Government of Indonesia received support from the UN-REDD Programme to help it attain REDD+ readiness. Under the overall objective of this support, 3 outcomes were expected. Outcome 1 was linked to the policy in the national context. Outcome 2 was related to the activities conducted in the chosen pilot province (Central Sulawesi), while Outcome 3 dealt with empowerment and capacity building.[39]
Gender elements were for the most inadvertently left out in the design consultations held for the Programme. To address this oversight, during implementation of the Programme various efforts to

[39] UN-REDD Programme. Indonesia Summary Page. Available at: https://www.unredd.net/regions-and-countries/asia-pacific/indonesia.html

integrate gender were undertaken. For example, several Project Management Unit (PMU) staff participated in a two-day gender-mainstreaming workshop held by UNDP Indonesia to enhance their understanding on gender issues, develop gender-specific indicators and determine relevant activities to be integrated in the Programme's work plan. To note, while the workshop did enhance their understanding of gender issues, interviews with PMU representatives revealed that mainstreaming gender into Programme implementation was not an easy task.[40]

In addition, during the drafting of the National REDD+ Strategy (STRANAS), efforts were taken to engage both women and men in activities relevant to REDD+ and provide equal access to knowledge and information on REDD+. A workshop on "Gender Safeguards in REDD+ Initiative" was also held in Jakarta in February 2012 to provide inputs and guidance on how to integrate gender into the safeguard's principles, criteria and indicators. Similarly, a workshop on gender safeguards was also held in Central Sulawesi to gain inputs from local communities. The Programme also implemented Free, Prior, Informed and Consent (FPIC) activities in several pilot sites in Central Sulawesi which considered gender aspects.[41] Lastly, a "Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia" was completed in 2012, and its results were used by the REDD+ Task Force to inform the gender elements of its social safeguards.

The evaluation of the Programme concluded that it followed FPIC principles, wherein nearly all conceptual preparatory activities for REDD+ were carried out through various consultations and focus group discussions with a myriad of stakeholders from the national and provincial level. However, it did note that the participation rates of women were less than ideal. In the workshops, consultations, focus group discussions, and even the FPIC trials at the field level, the number of men and women participants were skewed more toward men. In line with the gender imbalances and inequalities faced in the country, men still outnumbered women within the Programme's personnel team as well.[42]

5.2 REDD+ National Strategy (STRANAS)

Developed by the REDD+ Taskforce in 2012, the REDD+ National Strategy (STRANAS) was formulated with the following intent:

1. To prepare an effective institutional system to implement the REDD+ program;
2. To provide a basis and direction for integrated governance and regulatory systems to ensure the implementation of the REDD+ scheme;
3. Develop systematic and consolidated processes and approaches to save Indonesia's natural forests and the flora and fauna within them;
4. Provide a reference for the expansion of investment in the utilization of forests and peatlands for the production of forest and/or agricultural commodities, and the provision of ecosystem services that include the conservation and accumulation of carbon stocks.

[40] Women Organizing for Change in Agriculture and Natural Resources Management (2012). A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia. UN-REDD Programme. Available at: http://www.wocan.org/resources/guidance-note-integrate-gender-implementing-redd-social-safeguards-indonesia
[41] Ibid
[42] UN-REDD Programme (2013). Final Evaluation of the UN-REDD Programme in Indonesia. Available at: https://www.unredd.net/documents/un-redd-partner-countries-181/asia-the-pacific-333/a-p-partner-countries/indonesia-187/15077-final-evaluation-of-the-un-redd-programme-in-indonesia.html

The drafting process of the National REDD+ Strategy (STRANAS) included a series of public consultation meetings in seven regions: Java; Kalimantan; Sulawesi; Sumatera I; Sumatera II, Bali, Maluku and Nusa Tenggara; Papua, engaging 387 participants with representatives of government (46 percent), civil society (42 percent), academics (nine percent) and private sector (three percent). The draft was also posted on a website to get inputs from wider audiences. Unfortunately, only 12 percent of public consultation participants were women. Furthermore, during a National REDD+ Strategy (STRANAS) consultation held by members of the REDD+ Task Force with representatives of the MoWECP, there was an impression that MoWECP representatives had not received thorough information about REDD+, and had yet to consider REDD+ as an important issue that MoWECP should be engaged in.[43]

Despite this, the National REDD+ Strategy (STRANAS) does incorporate gender considerations into various aspects, including in its principles. These references are noted below.[44]

- The principle on fairness of REDD+ implementation notes "REDD+ is implemented on the basis of the principles of equality for all and human rights protection in forest management, including for women and communities vulnerable to socio-economic and environmental change" (p.5);
- One principle to be adopted to change the culture and paradigm in the country is "gender sensitivity" which calls for the attention to equality in roles, needs, and responsibilities of men and women (p.25);
- Efforts to strengthen forest and resources governance calls for accurate information to be available for public participation through capacity-building for community members, especially women and other vulnerable groups, to improve: (i) understanding of available information; and (ii) participation in decision-making processes (p.25);
- The minimal social safeguards to be complied with by REDD+ implementing agencies includes assurance of gender equality and the right of vulnerable groups to participate equally in REDD+ implementation (p 32);
- Requirement that the social safeguards framework is designed in such a manner to protect and benefit vulnerable groups, including 1) indigenous peoples and local communities living in and around forests, whose livelihoods depend on forest resources; 2) women, who face the full brunt of changes in family income; and 3) other societal groups, whose social, economic, and political status put them in a weak position in terms of fulfilment of their human rights (p.29);
- The guidance noted on the social safeguards framework calls for the inclusion of indicators that evaluate the "accountability of verification results relating to the distribution of benefits from the implementation of REDD+ activities among groups of men and women" (p.31).

[43] Women Organizing for Change in Agriculture and Natural Resources Management (2012). A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia. UN-REDD Programme. Available at: http://www.wocan.org/resources/guidance-note-integrate-gender-implementing-redd-social-safeguards-indonesia

[44] Government of Indonesia (2012). REDD+ National Strategy. Available at: https://www.unredd.net/documents/un-redd-partner-countries-181/national-redd-strategies-1025/15862-indonesia-national-redd-strategy.html

Finally, efforts by other non-government actors has also provided ongoing contributions to improve gender equality in Indonesia's forest governance more broadly, which are directly relevant to REDD+ activities. One such example is the Asia Foundation's environmental justice program in Indonesia, known as SETAPAK, which promotes regulatory and law enforcement reforms to protect communities whose livelihoods depend on traditional forest resources. The second phase of the program (starting in late 2015) facilitated a dialogue with the Ministry of Environment and Forestry (MoEF) in 2018, that resulted in three commitments by the minister: 1) to include gender in environmental impact assessments; 2) to allow women to be recognized as heads of household under the Social Forestry program; 3) to strengthen women's role in traditional forest management.[45]

5.3 REDD+ Safeguards in Indonesia: SIS-REDD+

Indonesia has developed several safeguards related to REDD+, including PRISAI (Principles of Criteria for Indonesian Safeguards Indicators), Strategic Environment and Social Assessment (SESA), and Social Environment Standard for REDD+. Furthermore, MoEF established the Safeguards Information System for REDD+ (SIS-REDD+) as Indonesia's official REDD+ safeguards system, with the main principles based on the Cancun Agreement.

The SIS-REDD+ contains 7 principles, 17 criteria and 32 indicators, that are adapted from the implementation of the existing and relevant safeguards frameworks such as Environmental Impact Assessment (AMDAL), Strategic Environmental Assessment (KLHS), Timber Legality Assurance System for Sustainable Forest Management and Production (SVLK/PHPL), Sustainable Forest Management Certification (SFM), High Conservation Value (HCV), Free, Prior, and Informed Consent (FPIC), and Strategic Environmental and Social Assessment (SESA). The SIS-REDD+ web-platform consists of two parts:

1. Database to collect, compile and manage data and information on REDD+ safeguards implementation, and
2. Web platform to display the information on safeguards implementation.

Collection of data, management and provision of information on the implementation of safeguards is conducted by actors at site level through self-assessment process by completing a Safeguards Implementation Assessment Tool (APPS). This APPS was developed based on the principles of simplicity, transparency, accountability, completeness and comparability. The aim is for this information on safeguards from the site level to be progressively centralized to the SIS management in districts, onward to provinces and finally the national level. However, the SIS-REDD+ currently does not contain any reference to gender, either in its principles, criteria or indicators, or the APPS tool. As such, future application of the SIS-REDD+, the principles, criteria and indicators, the APPS tool, and in general, any articulation of future social impact monitoring should consider gender elements, recalling that women often use natural resources and are impacted by changes in natural resource uses in manners that are different than men.

[45] Indonesia: Hearing Women's Voices in Managing Natural Resources (2018)

6. Recommendations

This preliminary gender analysis acts as an entry point for gender mainstreaming throughout design and implementation of the proposed project. The results and findings of the gender analysis has also informed and guided the development of a Gender Action Plan (please see Section 7 below).

This gender analysis, conducted through desk review, resulted in the following actions:

- Identification of broader national level gender inequalities and challenges and risks faced by women and other marginalized groups in Indonesia around thematic areas of relevance to REDD+ action, such as national policies and regulations, decision-making processes, agricultural production, forest use, land tenure, education, etc.;
- Identification of gaps, entry points and opportunities for mainstreaming gender in the proposed project, and in the implementation of REDD+ action and governance of forest resources in Indonesia more broadly;
- Development of the gender approach used within this proposal to effectively integrate gender and women's empowerment considerations within the social, economic, political and local context within the country;
- Demonstration of the need to develop a gender-responsive environmental and social impact assessment (ESIA), in which the need for additional gender-sensitive and sex-disaggregated baseline data (e.g. on land tenure, value chains, violence against women, etc.) is also assessed (and addressed as necessary);
- Demonstration of the need to ensure the stakeholder consultations and engagement efforts for the ESIA, and for FPIC activities are designed and undertaken using a gender approach and equitably include representatives from more marginalized groups, including women, youth, single-family households.
- Establishment of recommendations to incorporate into the preliminary Gender Action Plan.

More specifically, based on the above analysis and document review, the key entry points and recommendations for gender action within programme design and implementation are listed below. It should be noted that these recommendations are based on preliminary findings of this assessment (based solely on a desk review). Thus, the findings and recommendations of this gender assessment, including the gender-responsive actions, indicators, etc., noted in the Gender Action Plan in Section 7 below, will need to be re-assessed and revised as necessary during the ESIA process, as well as will need to be consulted with and validated by state and non-state stakeholders, including those more marginalized, such as women, youth, indigenous, people, etc. The MoEF is currently developing a strategic plan to mainstream gender for the period 2020 to 2024, which, if available, will be taken into consideration during the revision of the Gender Action Plan.

- It is essential that field-based data-collection and consultations take place in order to conduct a contextualized gender analysis at the local level, in order to capture huge variety of social

norms, traditions, and cultures across Indonesia's regions, which has varying implications for the position of women, their land tenure, and relationship to forest resources.[46]

- To support the effective implementation of the GAP, a gender consultant/NGO should be hired and work with and support/backstop the gender focal points/working groups of the MoF and MoEF.
- While there is internal support on gender within the MoF and MoEF, it is important to ensure these support teams also have knowledge on REDD+ and the 'how to' in integrating gender into it. As such, capacity of these teams should be built accordingly to support effective mainstreaming of gender in project implementation as well as to encourage sustainability of project outcomes once the project is finished.
- Furthermore, given that Indonesia has a decentralized system of governance, it is also important to work closely subnational level stakeholders to ensure that gender equitable policies from the national level are implemented at the local level
- Direct involvement of stakeholders, particularly women, in decision-making processes in regard to the use of proceeds, must occur to adequately link social forestry objectives to household needs.
- It should be noted that the simple presence of women on decision-making bodies does not always correspond with influence in decisions, and hence setting a quota for women's participation should be accompanied by efforts in regard to norm change, as well as establishing forums where women can exercise greater voice and agency.[47]
- The collection of gender disaggregated data in the implementation of REDD+ actions and the use of proceeds should be a mandatory contribution to available national and local-level databases, in order to establish an adequate baseline and measure progress towards targets.
- Gender concerns need to be adequately mainstreamed in order to ensure that gender perspectives and the goal of gender equity are central to all REDD+ related activities.
- A high level of political commitment toward gender mainstreaming and adequately training and resourcing of gender support units at multiple levels is required.

Addressing the gender dimensions and gaps identified within this assessment and implementing the corresponding recommendations noted above and gender-responsive actions noted below in the Gender Action Plan within project design and implementation, will help to ensure the project provides gender-responsive results.

[46] CIFOR (2016). Gender in Forestry and REDD+ in Indonesia. Available at: https://www.cifor.org/library/6010/
[47] Ibid.

7. Gender Action Plan

Data presented above provides context and an overall baseline assessment on the gender dynamics, inequalities and state-of-play within Indonesia, its forest sector and in its efforts on REDD+ action to date. This analysis identified the differences between men and women and has helped to identify gaps and provide a baseline for comparison.

Addressing the gender gaps noted above, this Gender Action Plan provides suggested entry points for gender-responsive actions to be taken under the applicable activities of the proposed project. It will ensure: first, conducting gender analysis to inform gender responsive project planning and implementation; second, provision of equal access to project activities and benefits (such as capacity building activities, revolving fund, among others); third, provision of equal access to decision making processes at all level; fourth, increased women access to productive assets; and finally, systematic collection of gender disaggregated data including benefit monitoring and evaluation. It includes measures to avoid potential project risks, such as women's losing access to forest resources and unequal benefit sharing mechanisms. In addition, specific indicators are also proposed to measure and track progress on these actions at the activity level. This can be incorporated into the detailed M&E plan which will be developed at the start of implementation and provides concrete recommendations on how to ensure gender (including disaggregated data) continues to be collected and measured throughout implementation.

The overall budget for the gender action plan is tentatively budgeted for 500,000 USD. As the overall project budget is not yet known and is subject to change, pending feedback from the project review and approval process, this gender budget has not yet been broken down by activity level. It is planned to assign and allocate these amounts once the final budget for the project has been confirmed.

To note, as additional gender data collection in the field still needs to be undertaken in the forest sector and around REDD+ issues within the country, detailed gender baseline data, as they pertain to the project activities, in many cases are not yet known. In these instances, baseline information for the activities within the Gender Action Plan are currently marked with a '0', to illustrate that such information is not yet available. Such information will be collected during the process of developing the gender-responsive ESIA, wherein the generation of gender-responsive baseline data for the proposed programmed will be undertaken. Thereafter, the Gender Action Plan below will be revised as necessary and gender baseline information will be provided.

Gender Action Plan

Project Activity	Gender-responsive actions	Baseline/Indicators/Targets/Means of Verification	Responsible Institutions/ Individuals	Budget (USD)	Timeline
1.1 Update and further develop the REDD+ architecture	Undertake sub-national gender analysis to establish baseline data, and tailor gender-responsive actions to the local level Develop gender-responsive benefit-sharing plan, based on sub-national level gender analysis and community consultations Include gender indicators and targets in the	Baseline: 0 Indicator: % of # of sub-national government involved in the project 1) collecting gender-disaggregated data 2) undertaking local-level gender analysis Target: 100% of sub-national governments involved in the project Mean of verification: 1) Evidence of database with gender-disaggregated data 2) gender analysis reports produced at sub-national level Baseline: 0 Indicator: # and % of benefit-sharing plans which are gender-responsive, based on community consultations and local-level gender analysis Target: 50% of sub-national governments involved in the project have a gender-responsive benefit-sharing plan Mean of verification: 1) Evidence of benefit-sharing plan (endorsed by community) Baseline: 0	Ministry of Finance	To be calculated once a final budget for the program has been determined	Project begin – Q4 2023

	safeguards information system Establish a gender-responsive grievance redress mechanism for REDD+ activities. Implementation of gender-responsive Free, Prior, Informed Consent (FPIC) Enhance women's land tenure security to ensure women's secure	Indicator: % and # of gender-responsive and sex disaggregated indicators and targets integrated within the SIS-REDD+ Target: 30% of targets and indicators are gender-responsive and sex-disaggregated under SIS-REDD+ and 100% of indicators/targets concerning number of people are sex-disaggregated Means of verification: SIS-REDD+ database and monitoring reports on SIS-REDD+ indicators Baseline: 0 Indicator: Evidence that gender-responsive mechanisms have been established at the national and sub-national levels Target: 75% of sub-national governments have a gender-responsive mechanism in place for REDD+ activities Mean of verification: Grievance redress mechanisms Baseline: 0 Indicator: Evidence that consultation meetings have been organized in ways suitable for women's schedules, using appropriate terminology and allow sufficient time for discussion. Women should have the right to give or withhold consent for REDD+ projects to be implemented within their communities. Target: Gender-responsive FPIC is fully implemented in Adat communities Means of verification: Documentation of FPIC process Baseline: 0			

	control over forestlands and resources by providing licenses to female-headed households	Indicator: Increase in % of female-headed households with secure control over forestlands and resources in districts in which Target: 30% increase in female-headed households with legally recognized documentation of control over forestlands and resources Mean of verification: Evidence of legally recognized documentation			
1.2 Strengthen capacity for REDD+ implementation	Train and build capacity of MoEF staff and REDD+ staff, stakeholders and partners on the 'why' and 'how to' integrate a gender perspective within REDD+ Implementation Hire a gender consultant/NGO to support implementation of GAP	Baseline: 0 Indicator: % of MoEF and REDD+ staff that have received a training on gender mainstreaming in REDD+ Target: 80% of MoEF and REDD+ staff and stakeholders have their capacity built/awareness raised on gender and REDD+ Mean of verification: Pre and Post-training surveys Baseline: 0 Indicator: Evidence of changes in perception/understanding of gender among Ministry of Finance, Ministry of Environment and Forestry and REDD+ staff and stakeholders Target: 80% of Ministry of Finance, Ministry of Environment and Forestry and REDD+ staff and stakeholders trained demonstrate changes in perception/ understanding of gender Mean of verification: Pre and post workshop surveys, and key informant interviews Baseline: There are gender focal points/working groups in the MoF and MoEF. Nevertheless, backstopping support on gender and REDD+ could be needed Indicator: Evidence that a gender consultant/NGO is actively supporting the mainstreaming of gender in the project	Ministry of Finance	To be calculated once a final budget for the program has been determined	Project begin – Q4 2023

	Ensure at least one of the Safeguards Officer hired has expertise on gender	Target: A gender consultant/NGO is hired to support the mainstreaming of gender in the project Mean of verification: TOR and procurement paperwork Baseline: 0 Indicator: # of safeguards officer(s) hired who has expertise on gender Target: At least one of the Safeguards Officer hired has expertise on gender Mean of verification: TOR and CV			
	Map and subsequently support social groups where woman can participate and yield power in regard to forest resources	Baseline: 0 Indicator: # of women-led social groups supported in each sub-national Target: At least 2 women-led social groups are supported at each sub-national level Mean of verification: Evidence (documentation) of financial agreement with women-led social groups			
	Conduct REDD+ capacity building training with gender focal points/teams	Baseline: 0 Indicator: % and # of gender focal points/team members within the MoF and MoEF who have had their capacity built/awareness raised on REDD+ (disaggregated by sex) Target: 80% of gender focal points/team members within the MoF and MoEF have had their capacity built/awareness raised on REDD+			

	within the MoF and MoEF	Means of verification: workshop reports, workshop attendance sheet			
1.3 Communication, knowledge management & adaptive management	Establish processes to facilitate policy coordination between MoEF and MoWECP, as well as information dissemination established at the provincial level	Baseline: 0 Indicator: Policies of the MoEF incorporate gender analysis of the different impacts of REDD+ on women and men, and Ministries share information at the provincial and national levels Target: Gender equality objectives mentioned in MoEF policies, and evidence of information-sharing mechanism (e.g. focal point or shared database) Means of verification: Evidence (documentation) of gender equality objectives in MoEF policies and information-sharing mechanism.	Ministry of Finance	To be calculated once a final budget for the program has been determined	Project begin – Q4 2023
	Conduct gender sensitization trainings for men and women staff members in FMUs to change their mindsets and also transform the way they plan and implement forestry development programs at the district level	Baseline: 0 Indicator: # of training and awareness sessions with FMUs, REDD+ working group and other stakeholders on gender issues in forest management and REDD+ Target: 100% of REDD+ working group participants and FMU staff members receive training Mean of verification: Training workshop report and pre and post training surveys			

2.1 Support the operationalization of Forest Management Units (FMUs)	Gender-responsive capacity building and technical assistance to Provincial & District authorities, FMUs and local communities	Baseline: 0 Indicator: Evidence that training and capacity building delivered to Provincial & District authorities, FMUs and local communities accounts for women's preference in content, timing and delivery as identified in sub-district gender analysis Target: 80% of women participants involved in workshops for this activity who felt training delivery 1) allowed them to actively participate and 2) found the content being discussed relevant and useful Mean of verification: Workshop reports	Ministry of Finance	To be calculated once a final budget for the program has been determined	Q4 2020 - Q4 2023
	Multi-stakeholder platforms for participatory forest management planning process are gender-responsive	Baseline: 0 Indicator: % and # of stakeholders involved in the participatory multi-stakeholder engagement processes who represent women's groups Target: Women's groups represent at least 25% of participants and are present in all multi-stakeholder engagement processes Mean of verification: Reports from multi-stakeholder platform meetings with participant list			
	Support small-scale community investments in gender-responsive manner	Baseline: 0 Indicator: # of small-scale community investments that take into account preferences identified through local-level gender analysis and gender-focused consultations Target: 50% of small-scale community investments account for preferences identified by women in community consultations, including preferences of Adat women Mean of verification: Records of community consultations, Financial reports on small-scale community investments			

	Increase number of female extension workers so that the FMUs can more effectively engage with women from the communities.	Baseline: 0 Indicator: % and # of female extension workers hired Target: 50% increase in female extension workers employed by the FMU Mean of verification: Employment agreements/contracts			
	Recruit more local female and male staff (full-time staff) members for the FMUs to become more effective.	Baseline: 0 Indicator: # of staff hired by the FMU at the local level Target: 50% of staff hired by the FMU at the local level are women Mean of verification: Employment agreements/contracts			
	Strengthening the existing women centered non-formal groups, improving women leadership skills	Baseline: 0 Indicator: # and % of women centered non-formal groups supported in regard to women's leadership skills Target: At least 1 women centered non-formal group in each district is given women's leadership training, capacity-building and support in each district, 75% of women training participants report increase in leadership capacity Mean of verification: Training workshop report, pre and post workshop survey			

	Ensure women's equitable and meaningful involvement in multi-stakeholder forums, meetings, consultations, etc., on efforts to support the operationalization of FMUs	Baseline: 0 Indicator: Evidence that women's equitable and meaningful involvement in multi-stakeholder forums, meetings, consultations, etc., on operationalization of FMUs was achieved Target: 80% of women participants involved in meetings and workshops for this activity felt training delivery 1) allowed them to actively participate and 2) found the content being discussed relevant and useful Mean of verification: Workshop reports			
2.2 Expand and enhance implementation of the Social Forestry programme	Set up and or strengthen gender-responsive multi-stakeholder platforms at relevant levels of territorial governance to engage on social forestry	Baseline: 0 Indicator: % and # of stakeholders involved in the participatory multi-stakeholder engagement processes who represent women's groups engaging on social forestry Target: Women's groups represent at least 25% of participants and are present in all multi-stakeholder engagement processes on social forestry, 85% of women's group report satisfaction in regard to meaningful participation Mean of verification: Reports from multi-stakeholder platform meetings with participant list, Key informal interviews Baseline: 0 Indicator: Gender-responsive considerations adopted in the development planning process based on local-level gender analysis	Ministry of Finance	To be calculated once a final budget for the program has been determined	Q4 2020 - Q4 2023

	Support village and provincial development planning process in gender-responsive manner Support land use planning, development of management plans and corresponding community development plans in a gender-equitable manner Development and implementation of community investments, incl. small and micro community enterprise development	Target: 25% Increase in women's participation in the planning process at provincial and village level, including in Adat communities Mean of verification: Village or provincial development plans Baseline: 0 Indicator: % and # of community members consulted on management plan for classified forests who are women Target: 40% of community members consulted on community development plans are women Mean of verification: Reports from community development plan meetings with participant list Baseline: 0 Indicator: % and # of community investments that are gender-responsive in their design Target: 30% increase in women who receive investments Indicator: Evidence of mechanisms established to support women with vocational training need to manage micro-enterprises Targets: • 100% of community investments are gender-responsive in their design • 50% of community investments are provided directly to women • At least 1 mechanism established in each district to support women with vocational training need to manage micro-enterprises			

	Address the gendered nature of Adat institutions, particularly the absence of women in decision-making processes, through sensitization at the local level Ensure women's equitable and meaningful involvement in multi-stakeholder forums, consultations and decision-making on efforts to enhance implementation of the Social Forestry programme	Mean of verification: Financial records and reporting on community investments Baseline: 0 Indicator: # and % of Adat communities involved in REDD+ activities receive gender-sensitization training at the local level focused on norms, attitudes and behaviors through workshops and community mobilization activities, including girls, boys, women and men Target: 50% of Adat communities in each district receives sensitization training Mean of verification: Training workshop reports, pre and post workshop surveys Baseline: 0 Indicator: Evidence that women's equitable and meaningful involvement in multi-stakeholder forums, decision-making, consultations, etc., on Social Forestry programme implementation was achieved Target: 80% of women participants involved in meetings and workshops for this activity felt training delivery 1) allowed them to actively participate and 2) found the content being discussed relevant and useful Mean of verification: Workshop reports			

3.1 Project management	With assistance from the Safeguards Officer, capacity of women involved in SIS-REDD+ working group on safeguards themes, and conduct any necessary capacity building to facilitate their meaningful involvement and inform their decision-making Fully integrate a gender perspective into the Environmental and Social Impact Assessment (ESIA)	Indicator: % and # of women who participate in needs assessment on safeguard themes from each district % and # women from each workshop who report greater understanding of safeguard themes % and # women from each workshop who report a greater capacity to participate in decision-making Targets: Capacity-building workshops designed and offered in each district in response to needs assessment At least 75% of women from workshops indicate greater understanding of safeguard themes and how to participate in decision-making 50% of workshop participants stay engaged with REDD+ RBP project/safeguards implementation Mean of verification: Training workshop reports and pre and post training surveys Baseline: 0 Indicator: % of findings from in-depth gender analysis and % of recommendations/actions of the revised gender action plan that were integrated into ESIA and ESMP Target: 80% of findings from gender analysis integrated into ESIA and 80% of actions from gender action plan integrated into ESMP Mean of verification: Evidence in ESIA and ESMP reports Baseline: 0 Indicator: Evidence that a gender perspective was fully integrated into mid-term and terminal evaluations	Ministry of Finance	To be calculated once a final budget for the program has been determined	Project begin - Q4 2023

	Integrate a gender perspective fully into mid-term and terminal evaluations	Target: A gender perspective fully integrated into mid-term and terminal evaluations Mean of verification: Evidence in mid-term and terminal evaluation reports			