



## United Nations Development Programme PROJECT DOCUMENT

<b>Project title:</b> Strengthening Forest Area Planning and Management in Kalimantan		
<b>Country:</b> Indonesia	<b>Implementing Partner:</b> Ministry of Environment and Forestry (Directorate General of Forestry Planning and Environmental Governance)	<b>Management Arrangement:</b> National Implementation Modality (NIM)
<b>UNDPF 2016-2020 / Country Programme Outcome:</b> Outcome 3: By 2020, Indonesia is sustainably managing its natural resources, on land and at sea, with an increased resilience to the effects of climate change, disasters and other shocks.		
<b>UNDP Strategic Plan 2014-2017 Output:</b> Output 2.5: Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.		
<b>UNDP Social and Environmental Screening Category:</b> Moderate risk		<b>UNDP Gender Marker:</b> GEN2 (a "gender mainstreamed initiative")
<b>Atlas Project ID/Award ID number:</b> 85815		<b>Atlas Output ID/Project ID number:</b> 93330
<b>UNDP-GEF PIMS ID number:</b> 5029		<b>GEF ID number:</b> 6965
<b>Planned start date:</b> Dec 2017		<b>Planned end date:</b> Dec 2024 (operational closed date, based on GEF Endorsement Letter) Dec 2025 (financial closed date, to be registered to the Ministry of Finance)
<b>LPAC date:</b> 2 October 2017		
<b>Brief project description:</b> The development challenge targeted by the present project involves the need for Indonesia to define, plan for and create a better balance between the development and management of major estate crops such as rubber, coffee, and oil palm, and the need for improved forest protection. The project thus 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. Competing priorities between the country's targeted increase in palm oil production and associated growth and employment targets for the sector need to be reconciled with commitments at both national and international levels to reducing rates of deforestation, forest fires and associated GHG emissions and biodiversity loss.		

The project strategy and theory of change is based on carrying out a clear process of identifying priority locations and testing approaches where enhanced forest area planning, management and associated use of incentives can be used to generate national and global incremental benefits without harming the potential for economic growth and development of the relevant Kalimantan provinces associated with increased production of estate crops. In addition to providing extensive benefits to Kalimantan including the HoB area, the national-level policies and tools to be developed by the project will also be of significant potential value to other areas of Indonesia facing similar development challenges. The strategy is focused on developing and implementing various approaches to enhancing protection of forested areas in the Non-Forest Land and in the convertible forest, both of which are subject to potential conversion (administratively and/or physically) to estate crops despite their remaining forest cover.

#### FINANCING PLAN

GEF Trust Fund or LDCF or SCCF or other vertical fund	9,000,000 USD
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UNDP TRAC resources	0 USD
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Cash co-financing to be administered by UNDP	0 USD
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(1) Total Budget administered by UNDP	<b>9,000,000 USD</b>
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#### PARALLEL CO-FINANCING (all other co-financing that is not cash co-financing administered by UNDP)

Government	50,000,000 USD
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UNDP	50,000 USD
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(2) Total co-financing	<b>50,050,000 USD</b>
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(3) Grand-Total Project Financing (1)+(2)	<b>59,050,000 USD</b>
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#### SIGNATURES

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Implementing  
Partner

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## TERMS AND GLOSSARY

AMAN	National Alliance of Indigenous Peoples
AMDAL	Environmental Impact Assessment
APL	Areal Penggunaan Lain (Non-Forest Land)
BAPPEDA	Badan Perencanaan Pembangunan Daerah (Local Development Planning Agency)
BAPPENAS	Badan Perencanaan dan Pembangunan Nasional (National Development Planning Agency)
BHI	Biodiversity Health Index
BKSDA	Agency for Natural Resource Conservation
BPN	Badan Pertanahan Nasional (National Land Agency)
C-IAP	GEF Commodities Integrated Approach Programme
CBD	Convention on Biological Diversity
CoP	Conference of Parties
CPO	Crude Palm Oil
DAK	Dana Alokasi Khusus (Allocation Fund for Special Purposes)
ERC	UNDP Evaluation Center
GAPKI	The Indonesian Palm Oil Industry Association
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	Greenhouse Gasses
HCS	High Carbon Stock
HCSA	High Carbon Stock Areas
HCV	High Concentration Value
HCVA	High Conservation Value Areas
HCVF	High Concentration Value Forest
HoB	Heart of Borneo
HP	Production Forest
HPK	Convertible Forest
HPT	Limited Production Forest
InPOP	Indonesia Palm Oil Platform
ISPO	Indonesian Sustainable Palm Oil
KH	Kawasan Hutan (Forest Land)
KEE	Essential Ecosystem Areas
Kementan	Kementerian Pertanian (Ministry of Agriculture)
KPH	Forest Management Units
KSDAE	Directorate General of Natural Resources and Ecosystem Conservation
LDCF	Least Developed Countries Fund
LOI	Letter of Intent
M&E	Monitoring and Evaluation
MK	Mahkamah Konstitusi (Constitutional Court)
MoAg	Ministry of Agriculture
MoEF	Ministry of Environment and Forestry
MoF	Ministry of Forestry
MoFa	Ministry of Finance

MOHA	Ministry of Home Affairs
MTR	Independent Mid-term Review
NIM	National Implementation Modality
PES	Payment for ecosystem services
PIF	Project Identification Form
PIR	Project Implementation Report
PKTL	Directorate General of Forest Planning and Environmental Governance
PPG	Project Preparation Grant
REDD+	Reducing Emissions from Deforestation and Degradation
RSPO	Roundtable on Sustainable Palm Oil
RTRWK	District spatial planning
RTRWN	National spatial planning
SCCF	Special Climate Change Fund
SESP	Social Screening Template
TE	Terminal Evaluation
UNDP	United Nations Development Programme
UNORCID	UN Office for REDD+ Coordination in Indonesia

## I. DEVELOPMENT CHALLENGE

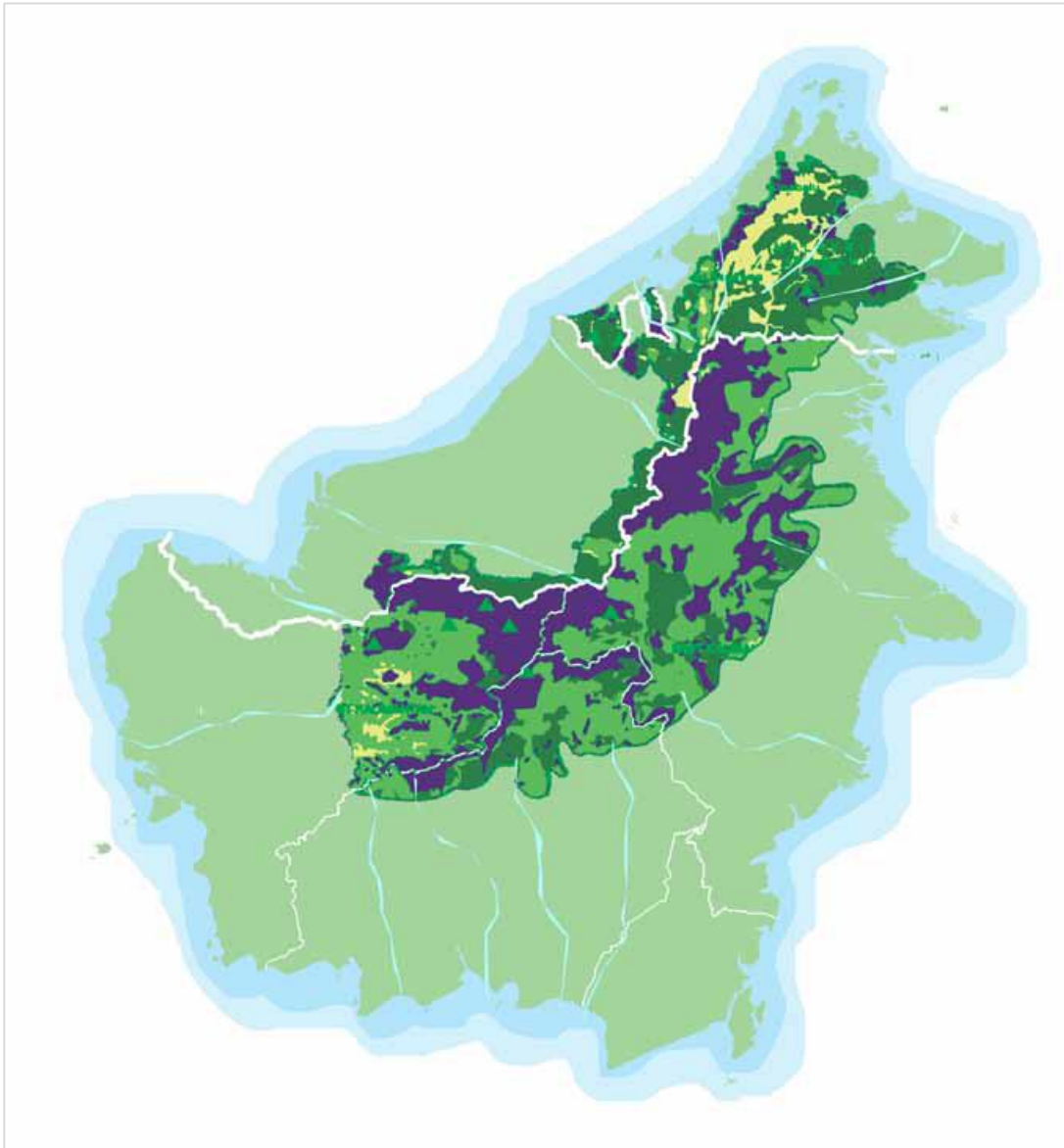
1. The development challenge targeted by the present project involves the need for Indonesia to define, plan for and create a better balance between the development and management of major estate crops such as oil palm, rubber and coffee and the need for improved forest protection. The project thus focuses on creating more effective land allocations and management of forest areas with high biodiversity and ecosystem services in the context of estate crop development in Kalimantan and particularly in the Heart of Borneo area.
2. The link between better forest management outside of the state estate crop and government plans for the oil palm sector in particular is a fundamental part of addressing the above challenge. Within the national government, there is an “undisputed”<sup>1</sup> belief in the positive impact of palm oil for the nation in relation to employment creation; income for farmers; poverty reduction; food security; regional and rural development, and increasing national exports. However, competing priorities between the country’s targeted increase in palm oil production and associated growth and employment targets for the sector remain to be reconciled with commitments at both national and international levels to reducing rates of deforestation, forest fires and associated GHG emissions and biodiversity loss.
3. To address these concerns, industry and government leaders have announced goals to expand palm oil production while avoiding both forest loss and social conflict. Achieving these goals would simultaneously contribute to economic growth and job creation, enhance the competitiveness of the Indonesian palm oil industry in the growing global market for more sustainable palm oil, and contribute to national ambitions to reduce greenhouse gas emissions.
4. The livelihoods and health of forest-dependent peoples, along with those of these and other communities benefiting from the economic opportunities afforded by the highly profitable estate crops sector, are among those directly impacted by such decisions. Likewise, social objectives such as poverty reduction and increased rural development are influenced by decisions affecting actual and potential estate crop production landscapes.
5. The challenge outlined above is particularly evident in Kalimantan, particularly the Indonesian portion of the area known as the Heart of Borneo (HoB), covering portions of West, Central and East Kalimantan provinces (see **Figure 1** below). Here, incredible biodiversity and high levels of carbon storage (largely due to the area’s peat soils and the rich forests that naturally cover them) are juxtaposed with a rapidly expanding estate crop sector. The challenge—for the HoB and other areas of Indonesia and for other developing countries facing similar circumstances—is to find ways in which growth in production of important agricultural commodities can be achieved with a minimum of environmental damage and associated costs, including, in the case of Indonesia, lost ecosystem services, high carbon emissions, loss of biodiversity, land degradation and human health costs associated with largely uncontrolled use of fire for land clearance.<sup>2</sup>

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<sup>1</sup> Bayu Krisnamurthi, Director of the National Palm Oil Fund, Speech at the Oil and Fats International Congress, Kuala Lumpur, 19 October 2016.

<sup>2</sup> See, e.g. Gillespie, 2011, 2012, Paoli and Gillespie, 2012, Sheil, D et al (2009). The impacts and opportunities of oil palm in

6. The HoB in Indonesia covers 16.8 million<sup>3</sup> ha, and includes major portions of three provinces—West, Central and East Kalimantan, with a combined population estimated at 13.7 million, some 6.6% of whom are living under the absolute poverty line<sup>4</sup>. The primary economic sectors are mining (oil, gas, coal, etc.), timber harvesting, fresh water fisheries and agriculture. The latter includes rice, sago, tobacco, millet, coconut, pepper, sugarcane, coffee, rubber, and the increasingly lucrative industry of palm oil production, which is by far the largest and fastest growing plantation industry



in Kalimantan.

**Figure 1: Island of Borneo, with largest rivers and Heart of Borneo illustrated (in green) and national borders (white)**

Southeast Asia: What do we know and what do we need to know? (Occasional Paper No. 51). Bogor: CIFOR.

<sup>3</sup> Van Paddenburg, A., Bassi, A., Buter, E., Cosslett C. & Dean, A. 2012. *Heart of Borneo: Investing in Nature for a Green Economy*. WWF Heart of Borneo Global Initiative, Jakarta.

<sup>4</sup> Badan Pusat Statistik Provinsi Kalimantan Tengah. 2011. Available at: <http://kalteng.bps.go.id/>



7. Indonesia is the world's top palm oil producer. In 2014, it produced approximately 30 million tons of crude palm oil (CPO), out of 50 million tons of global output<sup>5</sup>. Total oil palm areas across Indonesia exceeded 11.5 million hectares (ha) in 2015, representing a sharp increase from 3.6 million ha in 2008. Approximately 49% of oil palm plantations are owned privately, 41% by smallholders and the remaining 10% by the Government. The industry employs over three million people, contributing roughly 4.5 percent of total GDP<sup>6</sup>.
8. The growth of palm oil production is fuelled by its significantly higher returns per hectare, as compared with other cash crops such as coffee, rice, cassava and rubber. For the last decade, palm oil has been Indonesia's most significant agricultural export, followed by rubber, cocoa, coffee, tea and sugar<sup>7</sup>. In 2014, export revenue for the country from palm oil related products was over \$29 billion, far exceeding the total earnings of other major export products.<sup>8</sup>
9. In response to growing global and local demand, Indonesia aims to aggressively increase its current palm oil production, up to 40 million tons per year by 2020 (National media (2016), CPI Report (2015)). The predominant view of Indonesia's national government's regarding the oil palm industry may be reflected in comments made in 2016 by the chief of Staff of the President's office, who warned that 'the industry needs to grow bigger. If any ministries attempt to hold back growth of the palm oil industry, we will "bulldozer" them'.<sup>9</sup>
10. Meeting the above goal may require some 10 million additional ha of oil palm plantations.<sup>10</sup> Current estimates indicate that there are somewhere between 6 and 40 million ha<sup>11</sup> of degraded land across Indonesia, which may be able to accommodate much, if not all, of the land area required for the expected palm oil increase, rather than clearing tropical forests and peatlands. However, the notion of degraded land is a deceptively simple one: degraded land may be degraded in terms of a biophysical definition, but communities, towns and small villages are often situated on these lands. Further, degraded land may be less attractive for plantation development for a variety of agricultural, and thus economic, reasons. Finally, the often scattered nature of degraded lands may also make these areas less economically attractive for a plantation company to consider developing when compared with, for example, a contiguous larger block of land that has some peatland.<sup>12</sup>

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<sup>5</sup> Reuters, (2011): Palm Oil Industry Prepares for Rocky 2012: Special Report. See also: IISD Report (2014), at: [https://www.iisd.org/pdf/2014/ssi\\_2014.pdf](https://www.iisd.org/pdf/2014/ssi_2014.pdf)

<sup>6</sup> USDA <http://www.pecad.fas.usda.gov/highlights/2010/10/Indonesia/> (retrieved on 11/02/2010)

<sup>7</sup> Global Business Guide Indonesia, 2012. Agriculture Overview of Indonesia. Available on the following web: [http://www.gbgindonesia.com/en/agriculture/article/2011/agriculture\\_overview\\_of\\_indonesia.php](http://www.gbgindonesia.com/en/agriculture/article/2011/agriculture_overview_of_indonesia.php)

<sup>8</sup> Winarno Zain. 2011. Indonesian trade prospect 2012. The Jakarta Post. Available at <http://www.thejakartapost.com/news/2011/12/23/indonesian-trade-prospects-2012.html>

<sup>9</sup> Redaktur, 2015.

<sup>10</sup> National media, 2016

<sup>11</sup> FAQ: Saving Indonesia's Forests by Diverting Palm Oil to Degraded Lands, WRI studies. The surface of degraded land depends on the definition of degraded land. It is between 6 million and 40 million Ha.

<sup>12</sup> Indonesian law and regulations address the maximum peatland depth after which development cannot occur, and there are clear laws on water table and hydrological management at plantations. All domes and deep peat over three meters depth according to Government Regulation Number 71 of 2014 are supposed to be managed for protection, although some of these may have already been licensed out for production yet are still in an intact condition.

11. In Kalimantan, oil palm plantations cover at least 3.56 million ha, having expanded nearly 300 percent since 2000. Within the HoB landscape, there are 1.6 million ha of palm oil concessions, including at least 830,000 ha of active and/or newly allocated concessions in Kalimantan, with recent allocations concentrated in West and East Kalimantan.
12. In Central Kalimantan, as much as 14 percent of the province's entire 2013 GDP was from palm oil production.<sup>13</sup> To support the Government's national goal of 40 million tonnes of CPO by 2020, the provincial government there is planning to triple plantation area to reach over 3.5 million ha by 2020. With the right incentives and regulatory support and oversight, there is an opportunity to accommodate much of this planned oil palm plantation expansion whilst minimising environmental impacts. This could be accomplished, in large part, through use of an estimated 3.3 million ha of agriculturally suitable, yet degraded lands.<sup>14</sup>
13. The fate of peatlands, many of which remain forested, is of particular concern. Currently, 3.5 million (mn) ha of peatland (out of a total of 14.9 million ha nationwide) is under concession permits for forestry and oil palm plantation in Indonesia. Of the 12.9 million ha total, 5.3 mn ha is forested, 6.1 mn ha is within land designated as production areas, and 1.5 mn ha is degraded land, or land that has been logged over in the past.<sup>15</sup> An estimated 5.7 million ha of peatland, including forested peatland, is currently designated for production purposes under various licences known by their Bahasa acronyms as APL (other land uses), HP (production forest), HPT (limited production forest) and HPK (forest conversion for timber).
14. It is estimated that, compared with a 2013 baseline, the full development of allocated palm oil leases would, by 2020, convert a further 9.4 million ha to plantations; an estimated 90% of this area would consist of forested lands, including 41% intact forests.<sup>16</sup> Given the high biodiversity and massive carbon stocks within these areas, the issue is thus a critical one at international, national and local levels.<sup>17</sup>
15. Indeed, the global, national and local environmental impacts of forest conversion to palm oil are substantial. Oil palm plantations have very low biodiversity values<sup>18</sup>, their expansion causes loss of habitat value, habitat fragmentation and degradation, with severe impacts on biodiversity and ecosystem services. Furthermore, oil palm monoculture contains lower biodiversity value due to the absence of the vital components of forest vegetation, including forest trees, lianas and epiphytic orchids. The most endangered species tended to be the most sensitive, such as the Critically Endangered Orangutan, which often enters the oil palm monoculture plantations. Species

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<sup>13</sup> ISPO, 2012. Statistik Minyak Sawit Indonesia 2011, CPI Report (2015).

<sup>14</sup> Gingold, B, et al (2012) "How to identify degraded land for sustainable palm oil in Indonesia." Working Paper. World Resources Institute and Sekala, Washington D.C.; Kristiina Regina et al (2016). GHG mitigation of agricultural peatlands requires coherent policies, *Climate Policy*, 16:4, 522-541.

<sup>15</sup> Peatland Restoration Body (2016), Roadmap of Peatland Restoration in Seven Provinces 2016-2020

<sup>16</sup> Carlson et. al. 2013, *Nature Climate Change* Volume: 3, Pages: 283–287, "Carbon emissions from forest conversion by Kalimantan oil palm plantations".

<sup>17</sup> Houghton RA (2005) Aboveground forest biomass and the global carbon balance, *Glob Change Biol*, 11:945–958.

<sup>18</sup> There are a number of studies on this topic. Between 2002 and 2007, ZSL carried out research in Indonesia to determine the impacts of oil palm on biodiversity, particularly the Critically Endangered Sumatran Tiger ([www.zsl.org/tiger](http://www.zsl.org/tiger) report). Unsurprisingly, this showed that oil palm plantations are a poor substitute for the forest they frequently replace, as only around 15% of forest species are able to utilise the oil palm habitat.

that do frequent the plantations, such as sun bears, *rangkong* bird and pangolins, are often captured for food, wildlife trade, or persecuted and killed as pest animals.

16. The development of oil palm plantations is also a major source of greenhouse gas (GHG) emissions, accounting for 57 million tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) in 2010 in East Kalimantan alone. The palm oil industry is the largest emitter in the province, with emissions expected to increase to 67 million tons of CO<sub>2</sub>e in 2030 if expansion of plantations continues apace.
17. Forest conservation in Kalimantan depends on the effective prevention or reduction of: (i) forest and peatland fires, (ii) unsustainable logging practices, and (iii) conversion to agriculture of forested lands within oil palm leases and even within protected areas. Merely enforcing a moratorium on converting forests and peatlands to oil palm plantations is not predicted to generate significant carbon emissions reductions because other leading causes (e.g., peatland and forest fires) will continue to contribute to forest loss. This underlines the urgent need for holistic approaches developed in partnership with the different levels of government, private sector, local communities and other stakeholders in Kalimantan.
18. In summary, if not planned and executed sustainably, palm oil production will continue to cause extensive land degradation and soil erosion associated with deforestation, forest fires, peatland drainage, loss of access to NTFPs, and water supply problems downstream as a result of water use and fertilizer and pesticide application. Expanding palm oil production into forests and peatlands will lead to habitat loss and increased GHG emissions, as noted above, impacting biodiversity and local community livelihoods. These threats not only pose a negative impact on biodiversity and ecosystem services, but also impose significant and irreversible economic costs on the provinces and the nation, due to loss of natural capital.
19. In response to the above challenges, the government of Indonesia has identified improvement in strategic estate crop plantation/commodity siting and management as a priority strategy for safeguarding forest biodiversity and ecosystems and thus meeting its biodiversity conservation and GHG emission reduction goals. Such a strategy has major potential implications for delivering on broader national and international commitments such as national development plans, Intended Nationally Determined Contributions (INDCs), Indonesia's Biodiversity Strategy and Action Plan (IBSAP), the Sustainable Development Goals (SDGs) and others. The project aligns closely with Indonesian government priorities at the national, provincial and district levels to support its ongoing efforts to address this critical and complex challenge.<sup>19</sup>

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<sup>19</sup> Indonesia has presented its Intended National Determined Contribution (INDC) under the UNFCCC as a reduction from a business as usual scenario, using projections based on its historical trajectory (2000-2010). The INDC assumes projected emissions increases in the energy sector, without taking into account mitigation actions. However, with mitigation taken into account, it sets out a 26% net emission reduction by 2020 and 29% net emission reduction by 2030. In order to support these reductions, Indonesia has established The Indonesia Biodiversity Strategy and Action Plan (IBSAP), the National/Local Action Plan to reduce emission of greenhouse gasses (RAN/RAD GRK), as well as the Peatland Restoration Plan 2015-2019.

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## II. STRATEGY

20. Indonesia is the world's leading producer of palm oil, and the commodity plays a crucial role in Indonesia's economy. However, palm oil production is also closely linked to deforestation, social conflicts, and other environmental impacts, as large areas of Indonesia's forests and peatlands are cleared for conversion to oil palm plantations. Several approaches have been established in attempt to reduce these negative impacts, including the establishment of The Indonesian Sustainable Palm Oil (ISPO) certification system. The ISPO is a government issued legal standard that includes provisions for avoiding social conflicts and loss of natural forest and biodiversity, developed according to statutes in existing Indonesian regulations. In parallel, the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder organization, has developed a voluntary, market-based certification standard that includes requirements for conserving "high conservation value" areas and obtaining the "free, prior, and informed consent" (FPIC) of local people.
21. Industry and government leaders have announced goals to expand production while avoiding forest loss and social conflict. Achieving those goals depends on establishing new plantations on suitable non-forested or degraded land while respecting local land tenure. Unfortunately, the current land classification system in Indonesia is in conflict with this goal, as many suitable areas for future low-impact palm oil production are legally unavailable for development.
22. In June 2012, the Indonesian government developed a REDD+ strategy in which a land swap policy was proposed to help solve issues on how to allocate and manage lands for crop estates without sacrificing remaining in-tact forest. Land swaps refer to changes in legal land-use classification and/or permits for forest, peatland, and other high-conservation value areas, in exchange for degraded, not commercially utilized land, in order to simultaneously promote conservation and palm oil business interests (Figure 2). The site selection process is highly dependent on government spatial planning and permitting processes, which determine where companies can legally establish plantations.
23. Further adding to the problem of conflicting land-use classifications in Indonesia are that existing classifications often do not accurately reflect the reality of land cover on the ground. For example, many Estate crop lands are settled or degraded, while many Non-Estate crop lands host rich primary forests. As a result, much of the land that is legally available for palm oil and other development is unsuitable due to the presence of high-conservation value forests, peat, or tenure conflict with local communities, while much of the already-degraded, low-carbon land that would be ideal for sustainable palm oil is legally off-limits to development.
24. The project strategy and theory of change is based on carrying out a clear process of identifying priority locations and testing approaches where enhanced forest area planning and associated use of both regulatory and incentive-based approaches can be used to generate national and global incremental benefits without harming the potential for economic growth and development of the relevant Kalimantan provinces associated with increased production of estate crops. In addition to providing extensive benefits to the HoB area in particular, the associated national-level policies and

tools to be developed by the project will also be of significant potential value to other areas of Indonesia facing similar development challenges.

25. As shown in **Figure 2 below**, all land in Indonesia falls into one of two categories: (i) the Forest Land (Kawasan Hutan, covering 133 M Ha), and (ii) the Non-Forest Land, also known as the area for other purposes (Areal Penggunaan Lain, or APL, which covers 54 m ha). The Forest Land is under the authority of the Ministry of Forest and Environment; APL is administered primarily by the National Land Agency.
26. Within the Forest Land, according to Law No. 41/1999, MoEF can make functional allocations, classified into protection, conservation and production forests. In this 'Kawasan Hutan', MoEF has 'the authority to...regulate and organize all aspects related to forest, forest area and forest products'. This includes designating forests within the Forest Land as 'convertible.'<sup>20</sup> Convertible forests are forests that have been designated to be converted for development purposes. APL forests may be cleared for agriculture plantations such as for palm oil production, settlement, or other development infrastructure.
27. Once spatial plans developed at the national, province, and district levels designate land as available for estate crops, including oil palm development, the land becomes part of the Non-Forest Land, or 'APL'. Estate crop development takes place mainly<sup>21</sup> within such areas. As seen in **Figure 2**, some 8.4 million ha of forested land in Indonesia is classified within the Non-Forest Land—a figure which includes 2.3 million ha of forested land within the three pilot provinces (see **Table 1** below). Because of their status as APL, these areas are particularly vulnerable to clearance and MOEF authority and ability to protect remaining forests within these forests is sharply reduced. Components one and two of the project align with this reality because they favor economic development and environmental protection goals that encourage biodiversity-rich forests and peat lands to be retained within the Forest Land, while deforested lands or degraded forests are excluded from it and thus made more available for conversion.
28. According to MOEF data from 2015, remaining primary forest in APL is as much as 1.3 million ha, and secondary forest is over 5.5 million ha within APL. The following table provides more data on this. The table, which is entitled "Estate crop", shows types (primary forest, secondary forest, planted forest, etc.) against types of land classification within the Estate crop. Note the figures in red, boxed below.

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<sup>20</sup> Such lands remain within the forest zone but are potentially subject to removal and clearance / conversion.

<sup>21</sup> Exceptions here would include, e.g. illegal incursions into protected forest.

NO.	Forest Cover	Forest Area							APL	TOTAL	
		Permanent SFA					HPK	Total		Sum	%
		KSA-KPA	HL	HPT	HP	Sum					
1	2	3	4	5	6	7	8	9	10	11	12
	A. Hutan	17.421,7	24.020,7	21.455,0	17.301,9	80.199,2	6.426,4	86.625,6	8.402,4	95.028,0	50,6%
1	Hutan primer	12.401,2	14.530,1	9.747,3	4.572,8	41.251,4	2.525,6	43.777,0	1.391,4	45.168,4	24,1%
2	Hutan sekunder	4.887,5	9.188,9	11.393,3	10.106,7	35.576,3	3.861,8	39.438,1	5.753,0	45.191,1	24,1%
3	Hutan tanaman	133,0	301,7	314,4	2.622,4	3.371,5	39,1	3.410,6	1.257,9	4.668,4	2,5%
	B. Non Hutan	4.476,0	5.652,7	5.343,4	11.948,9	27.421,0	6.515,8	33.936,8	58.787,1	92.723,9	49,4%
	Total	21.897,6	29.673,4	26.798,4	29.250,8	107.620,1	12.942,3	120.562,4	67.189,5	187.751,9	100%

Sumber :

\* Results interpretation of satellite images Landsat 8 OLI 2015

\* Digital Data Forest Zone and Water 2015

**Figure 2: Forest cover, showing breakdowns by Forest and Non-Forest Land categories, 2015**

29. The project strategy is focused on developing and implementing various approaches to enhancing protection of forested land areas in the Non-Forest Land, as well as lands within the convertible forest category of the Forest Land, *both of which are subject to potential conversion (administratively and/or physically) to estate crops despite their remaining forest cover*. **Table 1** below presents figures by province for each of the above-defined categories. As seen in the table, there are over 2.36 million ha of currently forested land within these categories of land use in the project's three pilot provinces: West, Central and East Kalimantan. The project team estimates that up to 70% of such lands are found within the biologically critical HoB area and that 15-20% of these areas are found on ecologically fragile and fire-prone peat soils. These forested areas—sometimes fragmented and partially degraded, yet also in many cases playing important roles related to biodiversity conservation, ecological connectivity, carbon sequestration and other ecosystem services—constitute the project's broad 'zone of conservation interest'.

**Table 1: Forest areas within target land use categories and with remaining forest cover, by province (ha)<sup>22</sup>**

Province	Areas with forest cover, by land use category (ha)				Project target area of interest (B+C)
	(A) State Forest*	(B) APL	(C) Convertible forest	Total forest cover (A+B+C)	
West	5,067,474	555,988	63,635	5,687,097	619,623
Central	6,723,645	144,889	628,742	7,497,276	773,631
East	5,713,949	921,817	49,243	6,685,009	971,060
<b>Total</b>	<b>17,505,069</b>	<b>1,622,694</b>	<b>741,620</b>	<b>19,869,382</b>	<b>2,364,314</b>

<sup>22</sup> Figures provided by MoEF of Indonesia, 2016. According to Daemeter (2016), total areas 'zoned for conversion', which should correspond to 'B+C' in the above table, total 3.18 million across the three provinces (compared with the 2.36 million estimate above). The major discrepancy between the two sets of figures is for West Kalimantan, where MoEF provides a figure of 620,000 ha, less than half of the 1.46 million estimated by Daemeter. Figures will be further refined during the project inception phase.

\* Other than those lands classified as ‘convertible’ (category ‘C’), permanent state forest is not directly targeted by project. However, the sustainability of such forests will benefit indirectly due to enhanced connectivity and improved land siting processes based on land suitability for estate crop development.

30. Currently, data and information regarding the above-defined land areas are both limited in scope, e.g. with respect to the location of high conservation value (HCV) forest or of peat soils, and rarely assessed in a holistic manner with respect to the role of particular geographic areas in maintaining landscape-level connectivity and resilience at various levels. Instead, broader social welfare is diminished as both public and private decision making leads to loss of forest cover of critical areas and, collectively, to increased fragmentation and lowered resilience.
31. According to the project’s theory of change, combating the above trends is best achieved through the participatory development and implementation of strategies, plans and mechanisms at multiple ecological and jurisdictional scales, designed based on enhanced information, rigorously tested, disseminated and adapted for replication and uptake. The project will support this process through an integrated package of co-operation including estate crop dialogue platforms, forest safeguarding plans, identification of priority areas for protection from estate crop agriculture (no go areas), enhanced mapping and demonstration of approaches—including regulatory and incentive-based ones—to delivering change in line with such plans.
32. In particular, the project will aim to address the conundrum of estate crop agriculture expanding into ecologically important forested areas when suitable alternatives and lands are available. Thus, priority will be given to efforts to conserve the most vulnerable, most valuable forests—the latter from an environmental economic, natural capital perspective. Conversion of such forests—particularly where suitable alternatives are available—would impose the highest net costs on social welfare. Such areas will be the focus of project efforts to reduce deforestation while not disabling sustainable palm oil development on deforested land that is more suitable from an ecological and biodiversity perspective to be converted if needed.
33. More specifically, the project will support the establishment and operation of provincial dialogue platforms and a multi-province task force, which will share lessons and guide appropriate policy changes. In particular, these platforms will oversee the development of forest safeguarding plans to identify, *inter alia*, critical landscapes where poorly planned estate crop development would have potentially severe ecological consequences. In addition to identifying such areas, the plans will propose specific solutions, including reclassification of lands to and from the permanent estate crop, as well as approaches to intensification of production on existing agricultural lands, the latter in co-operation with the C-IAP and the Ministry of Agriculture.<sup>23</sup> Incentive-based solutions will also be sought in partnership with private sector operators, including companies committed to zero or reduced deforestation supply chains (another key area being supported under the C-IAP). In addition to landscape-level work, district-level jurisdictional approaches will be emphasized. Pilot, district and landscape-level work will demonstrate concrete solutions which, as appropriate, will

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<sup>23</sup> There is much debate current in academic and Indonesian government circles about the need to not extensify plantation development but intensify existing plantation production. For an excellent overview on this see: D Afriyanti (2016), Indonesia palm oil production without deforestation and peat conversion by 2050, *Science of The Total Environment*, 553:562–570.

tap into incentive-based approaches being cultivated by the project. Such strategies will target, *inter alia*, the above-described baseline situation in which large areas of the Forest Land have lost their forest, while extensive areas within the Non-Forest Land remain forested.

34. The project will strengthen the capacity of the Ministry of Environment and Forests (MoEF) and other key government departments such as the National Planning Authority (Bappenas) and the National Land Board (BPN) to protect areas with retained forest cover from conversion to estate crops. Component four will also undertake an engagement and communication process with key stakeholders to raise awareness amongst a wider related audience. With the government apparatus, particular emphasis will be placed on building capacity to manage and implement regulations that have the same environmental protection and better land suitability goals in mind, and in designing and implementing new systems within the district and provincial governments that are able to pick up deforestation occurring in areas where it should not be, in near-real time. This will be done in particular at the four specific site locations in Kalimantan at the district level. Underpinning this work will be support to Government priorities (One Map, Peatland Restoration Board, etc) aimed at increasing accessibility of forestry and land data to relevant stakeholders at the provincial and district level.
35. In particular, the program will focus on working with key Ministry of Environment and Forestry officials nationally and regionally, and key regional government figures and departments, to reinforce the importance of using specific land, soil and watershed related criteria and indicators ensure a more balanced and land-suitable delineation of areas for future estate crop development.
36. A key part of the approach is not simply explaining these criteria normatively, but implementing a Land Suitability and Risk Indicator Mapping Process which can provide an objective overview that delineates scientifically which areas are suitable for sustainable estate crop expansion, and where forests should be conserved due to their high biodiversity and poor overall suitability for long term estate crop land conversion. The latter includes areas where oil palm plantations are unable to be replanted after the first planting cycle due to inappropriate soil, excessive peatland, and salt water intrusion, which abound in Indonesia. These failed plantations are then left behind by the plantation company, and it is the local community and local government that must thereafter manage the area. In a cruel twist, such areas can become plagued by pests such as rats or diseases such as *Ganoderma*, which then decimate adjacent non-oil palm community land as well (Gillespie, 2012). Social components such as the position of villages and *de facto* indigenous communities are also included in the Suitability Mapping Process.
37. The parameters for delineating land suitability for crops (e.g. land requirements for oil palm are different than for coffee, for example) and high risk, low risk area recommendations are determined based on national and international agricultural and environmental conventions, as well as taking into account the district and provincial development goals and land classification plans. In this way, the recommended types of interventions that are most efficient and conducive for a particular area are worked out in partnership with KLHK and the other relevant government departments. This provides important land related information for governments and companies that can be taken into account before land conversion occurs: information such as watersheds and



peatland depth, salinity and soil suitability for plantation development. This will support the government's targets for economic development in rural areas, while reducing the impact on forests and ensuring that key peatland, watershed and high biodiversity areas are not developed. Finally, this information will be provided in open and transparent public forums and will back up the more biodiversity friendly and sustainable estate crop laws that exist (Law No.32 of 2009; Law No.39 of 2015, Law No 11/2015), making it harder for regional governments to continue on a BAU oil palm development trajectory.

38. The intervention will work at multiple and complementary geographic levels. At national level, the regulatory framework will be strengthened in relevant areas. For example, regulations will be developed to encourage and incentivize protection of forest areas both within concessions and in other areas outside of the estate crop. Systems for mapping and data management will also be improved and applied to the challenge of protecting HoB forests as per paras. 30-32 above.
39. At provincial level, the project will work with the three Kalimantan provinces that have areas within the HoB: West, Central and East Kalimantan (see **Box 1** below for overviews and **Annex J** for maps of the provinces). The project will support the establishment and operations of provincial commodity platforms in order to facilitate structured dialogue on sustainable production and forest conservation, thus facilitating action planning, policy reform and improved enforcement capabilities. Forest and estate crop platforms will be set up in Central and East Kalimantan, complementing a similar platform being established in West Kalimantan under the GEF Commodities Integrated Approach Pilot (C-IAP).<sup>24</sup> The theory of change here is that enhanced coordination, dialogue and multi-sectoral action planning will help to integrate efforts and identify synergies, while informing action by national and sub-national governments to influence market-driven productive forces with the aim of correcting market failures, serving broader societal interests and addressing equity issues in international supply chains.
40. All provincial platforms will be closely linked to the existing national-level Indonesia Palm Oil (InPOP) platform. Provincial processes for approving conversion of state forest to APL will be strengthened in the case of Central Kalimantan, where over 144,889 ha of land with retained forest cover is currently in this category.<sup>25</sup> Four target districts, including two in West Kalimantan<sup>26</sup> and one each in Central and East Kalimantan, have been selected as areas in which to pilot a series of district- and landscape-level interventions designed to demonstrate on-the-ground approaches to protecting forest threatened by oil palm expansion while reducing the potential fragmentation of nearby state forest areas. Landscape-level pilots will cover some 200,000 ha overall.<sup>27</sup>

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<sup>24</sup> In addition, two other provincial palm oil platforms will be established under the C-IAP, namely in Riau and North Sumatra.

<sup>25</sup> East and West Kalimantan have substantially lower areas within this category.

<sup>26</sup> A second district was added in West Kalimantan (Sintang) in order to coincide with one of the target areas of the C-IAP.

<sup>27</sup> Significant progress has been made during the PPG to identify and delineate the specific priority areas that would constitute the 100,000 ha. However, the complex nature of the problem and the need to acquire additional information and incorporate new mapping and peatland and location license material has led the project team and counterparts to decide to finalize the final site selection and delineation during the first year of the full project.

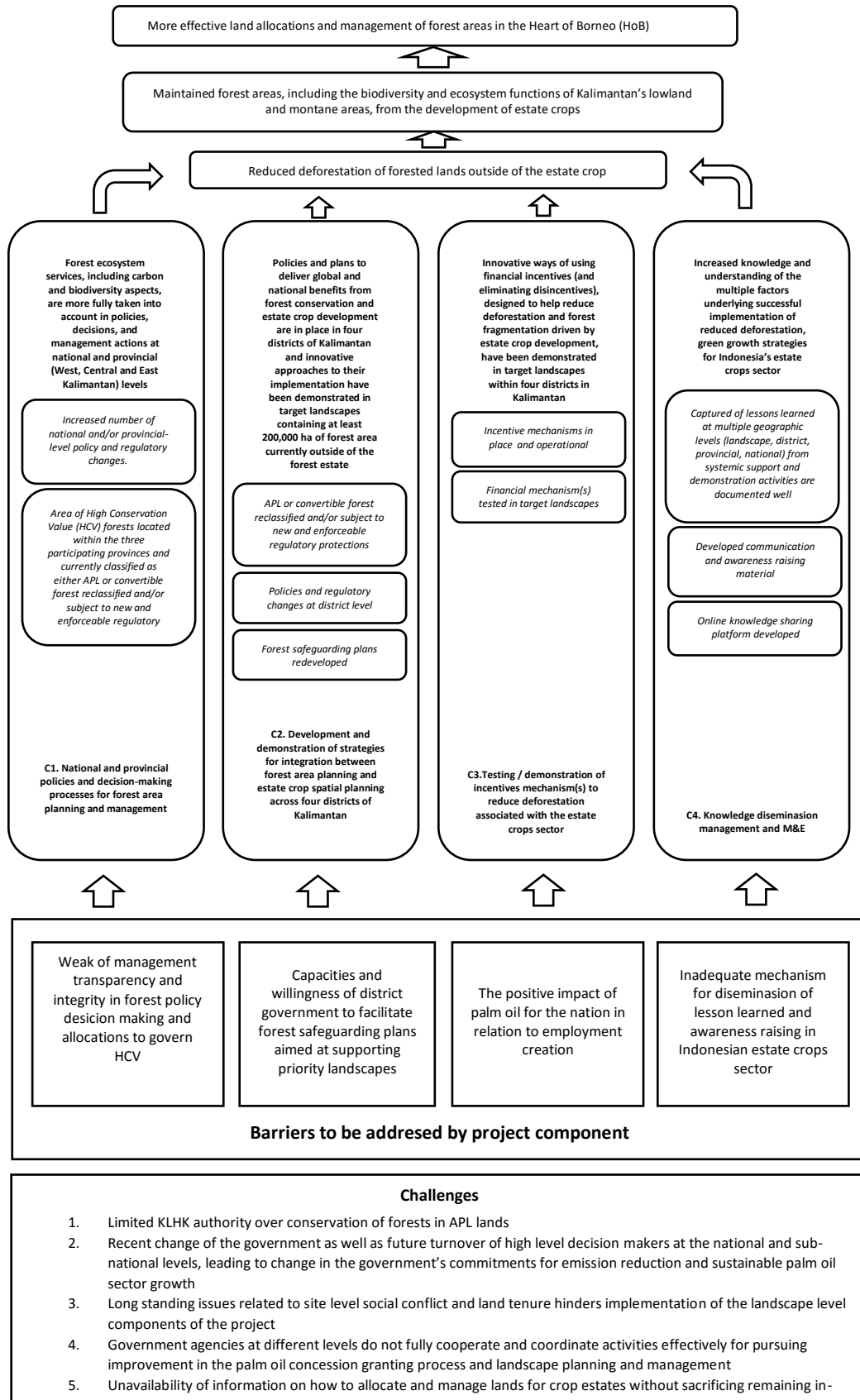
**Box 1: PROVINCIAL- AND DISTRICT LEVEL OVERVIEW**

**West Kalimantan** has over 1M ha of planted oil palm, and planned expansion that could affect 1.4M ha of forest and 1M ha of peat in the future. Two districts will be the site of pilot activities in this province. First, the district of *Ketapang* has extensive peat and forest at risk, a high deforestation rate, a high concentration of progressive supply chain actors, and a district regulation to protect High Conservation Value (HCV) set-asides. Ketapang district has extensive peat and forest at risk, a high deforestation rate, a high concentration of progressive supply chain actors, and a district regulation to protect High Conservation Value (HCV) set-asides. The district also has plantations with HCV set asides, and oil palm linked CSO initiatives and NGOs. Sintang District is a large district in West Kalimantan that borders and includes areas within the HOB. It has large areas of national park, remaining forest outside the forest estate, over 30 oil palm and pulp plantations, large watershed areas, and connectivity to an important HOB national park. Currently it has no specific provincial regulation on conservation, although it has orangutan release areas and a national park: Taman Nasional Bukit Baka

**Central Kalimantan** has large areas of forest and peat, a large oil palm sector (c 1.3M ha planted), and a high concentration of progressive companies in some districts. As a REDD+ pilot province, the provincial government has experience with deforestation reduction activities. The Governor has promulgated a regulation enabling recognition of customary land rights and another that establishes plantation sustainability requirements more stringent than national laws. Scenarios for engagement, aside from those currently pursued by existing programs, have good potential and include support for implementation of progressive government regulations on palm oil, promotion of community-based forest management in the province's extensive customary forest lands and closer partnerships with MoEF at the district and provincial levels. The district of Kotarwaringan Barat is one of the largest producers of oil palm in the province, with a number of 'progressive' mills, along with large areas of remaining forest and peat, some of which is zoned for conversion. It also has significant areas of deforested land zoned as state forest and therefore currently unavailable for agriculture.

**East Kalimantan** has 7.5M ha of forest and 600,000 ha of peat, including large areas of forest (1.2M ha) and peat (420,000 ha) zoned for conversion. Growth in oil palm over the past decade has been rapid, making the province Indonesia's fourth largest palm oil producer. The provincial government is sensitized to green growth discourse, and the province has an NGO community focused on sustainable land use, land rights and engagement with private sector. To date, few district leaders have shown interest in sustainability, but recent changes in leadership were significant, following elections last December 2015 in five of the province's six districts. Because of the large amount of intact primary and secondary forest in East Kalimantan (7.5 million hectares) including over 1.2 million hectares of forested land that is currently slated for conversion – (Daemeter, 2016). - the program will focus in this province more on working with KLHK on protection of existing forest land within and outside the forest estate, implementing a provincial regulation on sustainable plantations, support for implementation of a local regulation in peat land protection (Kutai Kartanegara), calls for license review at provincial (GAPKI) and district levels (e.g. in newly established Mahulu district) and broader capacity building for monitoring and implementation of best management practices as per paras. 30-33 above. In Kutai Timur, there is an innovative approach commencing between indigenous communities (in Desa Wehea, Desa Nehas Liah Bing, Long Wehea, Jak Luay, Benhes, Dia Beq dan Diak Lay) involving customary forest ownership and protection in conjunction with MOEF, ATR (Ministry of Agrarian Law and the District Regent. The project will aim to support MOEF with this work.

**Figure 2: Theory of Change Diagram for the Project (above)**



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### III. RESULTS AND PARTNERSHIPS

#### i. Expected Results:

41. The project objective is to maintain forest areas, including the biodiversity and ecosystem functions, of Kalimantan's lowland and montane areas in the face of growth and development of the estate crop sector. The project aims to create significant global benefits related to biodiversity conservation, sustainable land use and mitigation of GHG emission, particularly in the HoB. Systemic and institutional barriers to improved strategic plantations/commodities siting and plantation management will be addressed at the national, provincial and landscape levels, backed by incentives for making any plantation expansion policy<sup>28</sup> compatible with green growth.
42. Concrete practices designed to consider and take account of biodiversity and ecosystem services will be mainstreamed into policies and practices for forest area planning and management and into land allocation decision-making for strategic plantations/commodities siting. These practices will be instituted via an improved forest classification system, land-use planning processes and a strengthened mandate and capacity of the forestry sector to ensure a shift from biodiversity-destructive plantations/ commodities siting to optimal siting with much improved management practices.
43. Through improvement of systemic and institutional capacity, as well as landscape-level demonstrations, the project will significantly reduce conversion threats from plantations/ commodities in an area covering at least 418,419 ha, with flow on effects in terms of better land siting selection for agriculture development across 2.36 million hectares (see **Table 1** above and **Table 2** below) in the provinces of East, West and Central Kalimantan. This will result in enhanced safeguarding of critical ecosystem areas and protection of biodiversity on a globally significant scale.
44. In terms of reductions in carbon emissions, the numbers are large, but complicated due to the different types of land being converted. Default average amounts of carbon released during LUC and then taking into account the life cycle of the plantation need to be used. Net GHG fluxes depend on the balance between GHG uptake and release as a result of processes taking place above and below ground during land use change and conversion of a forested areas to an estate crop area. In Kalimantan, the conversion of forest on mineral soil to oil palm plantation results in mean carbon losses of  $702 \pm 183$  (S.D.)  $\text{MgCO}_2 \text{ ha}^{-1}$  over 30 years (Fargione et al., 2008), while conversions on peatlands lead to carbon losses of  $1486 \pm 183$  (S.E.M.)  $\text{MgCO}_2 \text{ ha}^{-1}$  over 25 years (Murdiyarso, Hergoualc'h & Verchot, 2010) to  $3452 \pm 1294$  (S.D.)  $\text{MgCO}_2 \text{ ha}^{-1}$  over 30 years (Fargione et al., 2008). Large amounts of  $\text{CO}_2$  are released when peat soils are drained to establish

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<sup>28</sup> As of late 2016, the Indonesian government remained in a state of flux in regards to plantation development: on the one hand it is consistently presenting to plantation audiences in the national arena that development will not be reduced in the future. On the other hand, to other audiences it is talking about a moratorium and reduction on any further plantation development and, in particular no further expansion on high biodiversity forest lands.

plantations and thus are allowed to oxidize and decompose: estimates range from 26 to 146MgCO<sub>2</sub> ha<sup>-1</sup> year<sup>-1</sup> (Schrier-Uijl et al., 2013).

45. Taking all this into account, and just using mineral soils as the default position for simplicity (which is not accurate as significant parts of forested land in Kalimantan due for conversion is peatland), the amount of carbon emissions that could potentially be saved could be up to 702 T CO<sub>2</sub>/ha x 30 years x 415,990 ha = 8.76 million T Co<sub>2</sub> over a 30-year period.
46. By improving the land allocation decision-making process, working with MoEF to have better access to data on biodiversity, peatland and HVC areas as part of the land siting and plantation allocation process, making plantation estate design and management more compatible with biodiversity conservation and maintenance of multiple ecosystem services at both the individual plantation and broader district landscape level, and developing a range of financial incentives for better land use planning and management from the international community, the project will directly contribute to arresting and reversing national-level trends in land degradation, deforestation, habitat loss and carbon emissions related to land use and land use change.
47. This process is expected to result in improved biodiversity protection, a significant reduction of HC VF conversion and enhanced protection of areas of forest essential for the conservation of ecosystem services.<sup>29</sup>
48. Biodiversity benefits will be especially significant at the level of target districts, namely Ketapang, Sintang, Kotawaringing Barat and Kutai Timur. Forested APL areas in these districts play important roles in connectivity—including connectivity of protected areas within the districts—and in ensuring the resilience and ecological sustainability of forested productive landscapes in the pilot districts. **Annex O** identifies endangered and threatened species recorded within the four target districts. These include, for example, eleven critically endangered or endangered mammal species, four critically endangered or endangered bird species and seven critically endangered or endangered species of flora. Numerous additional vulnerable and endemic species are also present in these districts. The project is expected, through both direct and indirect impacts, to make a significant contribution to the survival prospects of a number of these globally threatened species. Expected district-level benefits are summarized in the following Table.

District	National Park in District	Target area for enhanced protection *	Key globally threatened species whose viability enhanced**	Notes
Ketapang	Gunung Palung National Park	9,211 ha.	Orangutan, honey bear, Proboscis	Four villages are located in the buffer zone of the national park whose

<sup>29</sup> KEE is the term used by the Indonesian government for an area of land that is to be protected and managed based on conservation principles consistent with land designated as conservation forest areas. It includes efforts to directly manage carrying capacity and natural patches to use the KEE area in a sustainable manner whilst taking into account local community needs and welfare. Government Regulation No.28/2011 article 24 (1) states that protection of nature parks and national parks also include the protection of KEE. The protection of KEE is seen as essential to the natural environment for it includes the awareness of important ecological process that are critical to the sustainability of life, genetic health and species perpetuation, and the sustainable use of local resources and the natural ecosystem.

District	National Park in District	Target area for enhanced protection *	Key globally threatened species whose viability enhanced**	Notes
			monkey, helmeted hornbill and endemic birds.	livelihoods are dependent on forest resources and oil palm plantation. Peatland in these districts covers around 268,873 ha.
Sintang	Bukit Baka National Park	6,503 ha	Orangutan, honey bear, pangolin and hornbill.	Sintang is part of the HoB with size of peatland area covering 65,325 ha. Global biodiversity benefits will be enhanced by synergies with the UNDP-GEF Commodities IAP, which is also doing pilot work here.
Kota Waringin Barat	Tanjung Puting National Park	3,931 ha	Orangutan, Agile Gibbon and Proboscis monkey.	The national park is home to the largest Orangutan population in the wild. Illegal logging & mining, forest conversion for community plantation are key drivers of habitat destruction in the park. MoEF estimated that around 40% of the park has already been damaged due to illegal logging and forest fire.
Kutai Timur	Kutai National Park	14,702 ha	Orangutan, sun bear, proboscis monkey and clouded leopard.	The park is situated in a lowland tropical rainforest and the diversity of flora and fauna includes - 958 species of flora, 10 species of primates, 90 species of mammals and 300 species of birds. The park is surrounded by 7 villages with an approximate population of 32,000 people, and depends on forest resources including increasing demand of land expansion for agriculture and plantation.

\* Area of currently unprotected APL expected to benefit from enhanced protection through reclassification or other effective HCV protection

\*\* See Annex O for a full list of globally threatened species found within the target districts.

**Table presenting connectivity between forest blocks and protected areas at the selected target sites**

District/Pilot Site	Forest Block*	Protected Areas
Ketapang, West Kalimantan	Forested land in the district is 119,651 ha containing 92,109 ha in other land use (APL) and 27,542 ha in convertible production forest. The project will focus on maintaining remaining forested land in 4 sub-districts covering approximately 60,000 ha. The sub-districts border with Gunung Palung national park which is the main habitat of around 2,200 Orangutan.	Gunung Palung national park.
Sintang, West Kalimantan	Total forested land is 65,529 ha (KLHK, 2017). The project will focus on demonstrating intervention in	Bukit Baka-Bukit Raya national park.

District/Pilot Site	Forest Block*	Protected Areas
	6,500 ha of forest management in two sub-districts (Serawai and Ambalau) and will connect to Bukit Baka-Bukit Raya national park.	
Kota Waringin Barat, Central Kalimantan	Total 80,383 ha forested land. Project site at 11,760 ha (Kumai sub-district).	Tanjung Putting national park
Kutai Timur, East Kalimantan	Wehea forest is classified as logging concession, covering 38,000 ha. Considering the importance of the forest for Orangutan habitat and other key biodiversity, the Provincial Government of East Kalimantan issued a decision letter no 660.1/K.214/2016 to establish a stakeholder forum for managing Wehea forest in East Kutai district together with Kelay forest in Berau district as Orangutan corridor. The project will support the stakeholder forum to ensure effective stakeholder partnership and to reclassify the forest as protected area.	25% (1,200 individual) of critically endangered Kalimantan Orangutan live inside protected areas in Kutai Timur district of East Kalimantan. They are found in Kutai national park; Muara Kaman nature reserve; and Wehea protected forest. Outside the PAs Orangutan mostly inhabit in the production forest and even oil palm plantation.

\* Forest block in this project is defined as forested land outside nationally managed forest areas.

49. At the four target landscapes in Kalimantan, stakeholder capacity development support and local level integrated land use planning will create improvements in land allocation, increased use of degraded lands for new plantations, better protection of existing forest cover that is under the threat of plantation conversion, and a significant decrease in natural forest conversion to estate crops. It will demonstrate improved landscape planning and management in the forest and plantation landscapes, creating connectivity between forest blocks and improving species and ecosystem management at the landscape level. Piloting of incentive packages will further strengthen the aforementioned actions and increase the potential for sustainability and scale-up. These actions are expected to result in significant reduction of HCVF conversion and in reduced emissions of greenhouse gases.

50. The project's four components, and associated outcomes, are described below.

#### **Component 1: Mainstreaming of forest ecosystem service and biodiversity considerations into national, provincial, and district policies and decision-making processes for forest area planning and management**

<b>OUTCOME 1</b>	<b>Forest ecosystem services, including carbon and biodiversity aspects, are more fully taken into account in policies, decisions, and management actions at national and provincial (West, Central and East Kalimantan) levels</b>
Indicators	(i) Number of national and/or provincial-level policy and regulatory changes. (ii) Area of High Conservation Value (HCV) forests located within the three participating provinces and currently classified as either APL or convertible forest reclassified and/or subject to new and enforceable regulatory protections.
	<u>Output 1.1:</u> Improved <b>policy framework</b> and <b>capacities</b> , particularly of the Directorate of Planologi within the Ministry of Environment and Forests (MoEF), along with the National Planning Authority and the National Land Board, to align national forest planning to

Outputs	<p>Government environmental and biodiversity protection strategies by better protecting remaining forest within land released from (or subject to release from) the estate crop</p> <p><u>Output 1.2:</u> Establishment and operation of <b>provincial forest and estate crops platforms</b> covering West, Central and East Kalimantan<sup>30</sup> and a <b>multi-province Task Force</b> covering the Heart of Borneo</p> <p><u>Output 1.3:</u> <b>Forest safeguarding strategies and action plans</b> covering the three participating provinces and HoB as a whole, designed to: (i) guide reclassification process to ensure optimized conservation and use of forest and non-forest land, respectively; (ii) avoid ecological fragmentation and sustain larger-scale carrying capacity, forest ecosystem services and resilience</p> <p><u>Output 1.4:</u> <b>Reclassify priority forested lands</b> from APL back to estate crop</p>
Activities	See Annex A, Workplan

51. Component 1 will support the mainstreaming of forest ecosystem services and biodiversity in national and provincial policies and decision-making processes. Efforts will focus on strengthening and more effectively implementing the policy framework and the decision-making processes related to forest area planning, allocation and management at the above levels.
52. Outputs and activities have been designed based on an in-depth analysis of the forest area classification and planning system, concession granting and land use planning processes<sup>31</sup>. This analysis has informed the project's planned actions to improve the system so that any future post-moratorium plantation expansion strategy would be implemented with minimal destruction of remaining forest cover, in particular HCV and HCS forests in Kalimantan, thereby conserving biodiversity and avoiding a significant amount of emissions. This will be done by demonstrating why it is important to the national interest to protect remaining high biodiversity forest areas that have been released from the estate crop. Policy-related work will be designed to complement analogous support being delivered through the C-IAP and will be undertaken in close co-operation with the work of the Indonesia Palm Oil Platform (InPOP).
53. In order to achieve the above outcome, the project will help to establish greater certainty over the delineation of forest areas, in particular HCV forests and forest areas essential for conservation of ecosystem services, in conjunction with the One Map initiative and increased coordination among government ministries. It will also focus on using this information to make better land use siting and forest environmental protection decisions within the MOEF. The outcome will attempt to increase management transparency and integrity in forest policy decision making and allocations.

<sup>30</sup> The West Kalimantan platform will be shared with, and co-funded by, the UNDP-GEF Commodities IAP project.

<sup>31</sup> See Muhammad Sahideia (2015), The fragmented land use administration in Indonesia – Analysing bureaucratic responsibilities influencing tropical rainforest transformation systems, Land Use Policy 43: 96–110; Gillespie, (2016), Fiscal Incentives Report (2016) as part of the prodoc development. See also Forestry Research and Development Agency, 2013. One Map Policy: Momen Kebangkitan Penelitian Kehutanan Berbasis Informasi Geospasial, Available at <http://www.forda-mof.org/index.php/berita/post/1554> (last accessed 30.06.2016); Brockhaus, M et al (2012) An overview of forest and land allocation policies in Indonesia: is the current framework sufficient to meet the needs of REDD+? For. Policy Econ. 18, 30–37, <http://dx.doi.org/10.1016/j.forpol.2011.09.004>.



54. The project will help to enhance the policy framework and the capacity of MoEF, together with the Ministry of Agriculture, Ministry of Home Affairs and the National Land Agency, as applicable, for integrated decision making for forest area protection and estate crop development. It will help improve oversight of remaining tracts of high biodiversity multiple-use forest landscapes, particularly already leased, but as yet undeveloped, areas and plantations. This will enable MoEF to better align national forest planning with government priorities and commitments such as biodiversity conservation, GHG emissions reduction, national sustainable palm oil initiatives, such as the Indonesian Sustainable Palm Oil (ISPO) certification system and InPOP, and the upcoming Presidential Instruction on the moratorium of new plantation development. By the end of the project, MoEF and other key stakeholders, will have greater capacity to incorporate natural capital values of high biodiversity and HCV forests in decision making of planning, land allocations and management.
55. The project will also support the establishment and operation of provincial-level forest and estate crops platforms to facilitate action planning that targets priority systemic barriers facing government oversight of, and policy and programmatic support for, sustainable, reduced-deforestation commodity production practices, land use allocations for commodity production and set asides and related practices for implementation / enforcement. Broadly speaking, the platforms will support district, provincial and national governments' in playing a positive and effective role in encouraging a form of estate crop production that is economically efficient, promotes equity and is protective of natural capital. Critical policies, programmes, regulations and associated barriers and gaps will be identified at local, provincial and district levels and discussed within the Platforms. Complementing the Platforms will be a multi-province task force designed to ensure harmonization and co-ordination among provincial-level plans, as needed.
56. Among the key activities of the platforms will be to develop coordinated, inter-sectoral forest safeguarding strategies and action plans at provincial and multi-province / HoB-levels. The plans will support conservation of high priority biodiversity areas by increasing connectivity between major forest blocks within and among the provinces, notably through conservation of remaining forest outside of the estate crop. In order to develop these plans, the project will gather and, where necessary, enhance, information and data on HCV, KEE and watershed, riparian, and other high priority areas within the HoB.
57. The plans will include: (i) determining and agreeing on designation of high biodiversity areas and primary forest / HCVF within the three pilot provinces, clearly mapped to support better informed decision making in land allocation; (ii) integration of biodiversity values and ecosystem services with carbon concerns, including support on either updated policies on reforestation or direct support for work on peatland restoration; (iii) plans for compliance monitoring and enforcement, and; (iv) support (seed funding) for implementation within selected landscapes in the three provinces.
58. In addition to MoEF, the inter-ministerial strategic planning / implementation exercise will involve BAPPENAS, the Ministry of Public Works, the National Agency for Geospatial Information and Provincial & District Governments, along with key non-governmental and civil society organizations.

**Component 2: Development and demonstration of strategies for integrating forest area planning, management and conservation with estate crop spatial planning and management across four districts of Kalimantan (Ketapang, Sintang, Kota Waringin Barat, and Kutai Timur) and at target landscapes within those districts**

<b>OUTCOME 2</b>	<b>Policies and plans to deliver global and national benefits from forest conservation and estate crop development are in place in four districts of Kalimantan and innovative approaches to their implementation have been demonstrated in target landscapes containing at least 200,000 ha of forest area currently outside of the estate crop</b>
<b>Indicators</b>	<p>(i) <i>Tons of CO2e emissions avoided within the three Kalimantan provinces</i></p> <p>(ii) <i>Area of High Conservation Value (HCV) forests located within the four demonstration landscapes and currently classified as either APL or convertible forest reclassified and/or subject to new and enforceable regulatory protections.</i></p> <p>(iii) <i>Local institution capacity (Note: Baselines and targets to be determined during year 1)</i></p> <p>(iv) <i>No. of district-level forest safeguarding plans approved and endorsed by key stakeholders</i></p> <p>(v) <i>No. of policies and regulatory changes at district level.</i></p> <p>(vi) <i>Percentage of forested lands within the pilot districts currently classified as either APL or convertible forest that has been reclassified to an enhanced protective status</i></p>
<b>Outputs</b>	<p><u>Output 2.1:</u> Establishment and operation of <b>district-level forest &amp; estate crop forums</b> and <b>landscape-level working groups</b> to enable co-operative planning and decision making</p> <p><u>Output 2.2:</u> <b>District-level policies</b> and <b>regulatory changes</b> to ensure forest protection and careful planning of the estate crops sector</p> <p><u>Output 2.3:</u> <b>Forest safeguarding plans</b> for each of the four target districts, aimed at supporting priority landscapes—including connectivity between major forest blocks, mainstreaming of global biodiversity and carbon values, strengthened policies on reforestation and sustainable development of the estate crops sector—are <b>adopted</b> and <b>implemented</b>, with technical support for implementation under this output and financial incentives channeled via Component 3</p> <p><u>Output 2.4:</u> <b>Strengthened capacities</b> and <b>willingness</b> of district government, local communities and private (estate crops) sector to participate in decision making for land allocation, forest plantations, palm oil estate design and management and to implement / enforce enhanced national, provincial and district-level regulations, laws and relevant government programmes and plans</p>
<b>Activities</b>	See Annex A, Workplan

59. Under Component 2, target forest landscapes within four pilot districts (see **Table 2**) will be subject to intensive efforts aimed at demonstrating successful approaches to forest conservation, reduced deforestation estate crop planning / management and land use planning and related land allocations / siting decisions. These landscape-level demonstrations, as well as broader, district-level efforts, will be complemented and encouraged through incentive-driven support being delivered under Component 3. Global benefits arising directly from these demonstrations are expected to include reduced carbon emissions and enhanced biological connectivity related to better management and reduced deforestation of forested lands outside of the estate crop. **Annex I** provides additional information regarding pilot districts and landscapes being targeted by components 2 and 3.

**Table 2: Forest areas within target land use categories and having forest cover, by target district (ha)**

Province	District	Forested APL (A)	Forested conversion forest (B)	Combined area of interest (A+B)
West Kali.	Ketapang	92,109	27,542	119,651
West Kali.	Sintang	65,028	500	65,528
Central Kali.	Kotawaringin Barat	15,724	64,659	80,383
East Kali.	Kutai Timur	147,018	5,839	152,857
	<b>Totals</b>	<b>319,879</b>	<b>98,540</b>	<b>418,419</b>

60. Delivering the above results will require a multi-pronged effort. First, inter-sectoral dialogue forums will be established at the level of each pilot district. Forums will receive technical support for the collaborative development of district-level forest safeguarding action plans aimed, *inter alia*, at conserving critical ecosystem areas and ecosystem services and at helping to guide the sustainable, forest-protective development of the estate crop sector within their respective district. District plans will be aligned with, and thus represent concrete contributions towards, implementation of the larger-scale, provincial and HoB-level plans being supported in parallel under Component 1 above.
61. As district plans are developed—with the aid of mapping and spatial data related to forested areas, concessions and in line with Indonesia’s One Map policy—final delineation will be made of project target landscapes, based on robust criteria including biodiversity importance, e.g. corridor areas between intact forest blocks and/or conservation areas, partnership opportunities, etc.
62. For each chosen landscape, and under the auspices of the district forum, landscape-level working groups will be established. As an integral part of the district plans, these groups will elaborate a set of landscape-level actions for intensive technical and incentive-driven support (see Component 3). Landscape-level interventions and benefits will be closely monitored, private-public partnerships will be encouraged and lessons learned will be captured and shared at district and provincial levels (see Component 4).
63. Working in close co-operation with KLHK, technical support will be delivered at district and landscape levels, both during preparation of, and as part of the process of implementing, the landscape strategies and district-level plans. This wide-ranging support will aim to deliver the following:
- agreements between relevant stakeholders including license holders on eligible areas, enabled by removal of institutional and economic barriers, including opportunity costs (lost tax revenues, employment);
  - improved capacities of local communities and other stakeholders in the target landscapes to participate in decision making regarding land allocation and palm oil estate design and management;

- enhanced and more widely available forest, biodiversity and carbon-related spatial data and analysis, and better information management, by the districts / landscapes and application of same within spatial planning processes, particularly as they relate to estate crop development<sup>32</sup>;
- policies and regulations aimed at mainstreaming the above global benefits into local decision making and management practices;
- assurance of relevant environmental and social safeguards;
- enhanced capacities and willingness of smallholders to employ good environmental and agricultural practices related to forest conservation and forest fire management;
- techniques for improving plantation estate design from inception of the location licence (*ijin lokasi*) (e.g. in areas that are already allocated as concessions but not yet developed) and other aspects of management of remaining forest and biodiversity by large and small-scale producers / plantations;
- tools and training for improved government monitoring<sup>33</sup> of forest-related environmental compliance related to the estate crops sector, including rules related to management of species, human-wildlife conflict, fire, peatland and riparian areas and better agricultural and environmental management practices;
- key lessons for further uptake and replication at district, province and national levels (see Component 4).

64. The project will engage with the private sector involved in estate crop production within the target districts and landscapes. Project activities to be undertaken with the participation and support of the private sector will include:

- the establishment and operationalization of the district level palm oil platform and implementation of action plans;
- smallholder productivity enhancement and livelihood improvement support<sup>34</sup>;
- improvement in ecological design and management of palm oil estates;
- mainstreaming of biodiversity conservation actions within oil palm estate operations;
- investment in conservation and livelihood strengthening;
- development of company social and environmental safeguards; and

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<sup>32</sup> Data will be related to themes such as peatland delineation and depth, forest cover and associated values, KEEs, HCV, riparian and protected areas, etc. Work in this area will result in wider access to accurate information on provincial land and land suitability, and will include training of key personnel to make better land use decisions. Finally, opening up this information within the platforms and other modes of communication will result in greater levels of provincial and district transparency.

<sup>33</sup> Key beneficiaries will include KPH, local governments and local branch of the national government agencies (BKSDA, BPN, BAPPEDA, KLH).

<sup>34</sup> This activity will be piloted in Sintang with support from the Commodities IAP, in co-operation with the present project.

- estate development on degraded areas.

65. Finally, it should be noted that work under this component will benefit from, and directly apply, the systemic improvements from the national and provincial level activities under component one, as well as from the Commodities IAP project, such as improving forested land protection within concessions, along with strengthened and improved HCV and KEE protection in plantation areas that have been released from the Estate crop.
66. Achievements under Component 2 will be indicated by: (i) the Biodiversity Health Index method to be applied for each target landscape<sup>35</sup>; (ii) an increase in the areas of high biodiversity within and outside plantations that are *de jure* and *de facto* protected; (iii) increased use of low biodiversity, secondary forest and low biodiversity-appropriate lands for plantation expansion, and (iv) a reduced deforestation rate for high biodiversity areas compared with the business-as-usual scenario in the target districts by the end of the project.
67. Institutional capacity development will be gauged using the UNDP Capacity Development Scorecard applied for relevant provincial and/or local agencies. Research previously undertaken by the UNDP on improving forest governance will form a baseline assessment as well to be incorporated (UNDP, Indonesian Forest Governance Indicators (2014)).<sup>36</sup>

**Component 3: Testing / demonstration of incentives mechanism(s) to reduce deforestation associated with the estate crops sector**

<b>OUTCOME 3</b>	<b>Innovative ways of using financial incentives (and eliminating disincentives), designed to help reduce deforestation and forest fragmentation driven by estate crop development, have been demonstrated in target landscapes within four districts in Kalimantan</b>
<b>Indicators</b>	<i>(i) Incentive mechanisms in place and operational - to drive changes that significantly reduce the long-term threat or actual incidence of estate-crop driven deforestation</i>
<b>Outputs</b>	<p><u>Output 3.1:</u> Detailed <b>quantitative analysis</b> of <b>economic, environmental and social benefits</b> of forest conservation and related <b>costs</b> of <b>forest loss</b> in pilot districts / landscapes</p> <p><u>Output 3.2:</u> Current <b>incentive</b> (positive and negative) <b>structure assessed</b> and recommendations for change elaborated</p> <p><u>Output 3.3:</u> <b>Incentive mechanism</b> from diverse sources—potentially including REDD+ and a small grants programme based on RBP (Results Based Payment) principles with necessary upfront payments—designed and established</p> <p><u>Output 3.4:</u> <b>Financial mechanism(s) tested in target landscapes</b>, with technical cooperation support under component 2</p>
<b>Activities</b>	See Annex A, Workplan

68. This component will support the development of new incentive-based approaches to encourage more biodiversity-friendly land allocation and plantation design and management, including by

<sup>35</sup> Baseline to be established during first full year of project implementation.

<sup>36</sup> Available at: < [http://www.unclearn.org/sites/default/files/inventory/unredd\\_4\\_01092015.pdf](http://www.unclearn.org/sites/default/files/inventory/unredd_4_01092015.pdf)

shifting agricultural production to unforested land. An incentive mechanism will be developed as part of a progression from activities in Output 1.4, which will provide information on the pitfalls of short term landscape decision making for the government and communities.

69. Efforts to identify and address incentive-related priorities will be based on a detailed understanding—at HoB as well as individual district and landscape levels—of multiple benefits, including non-market values such as carbon, biodiversity and ecosystem services. Enhanced understanding and awareness of these values and their spatial distribution will arise out of this work and from HCVA and HCSA assessment and other data developed under components 1 and 2, will help to build a case for specific shifts in the incentives facing producers and other stakeholders. These will include shifts in both positive and negative incentives, including national-level factors such as inter-governmental fiscal transfers as well as sub-national factors. Types of negative incentives to be considered will include:

- Land access fiscal incentives
- Financing investment in production
- Crude palm oil production incentives
- Incentives specific to biofuels
- Downstream sector development
- Domestic and international demand-side measures

70. Based on priorities arising from the above analysis, the project will support the establishment of an incentive mechanism aimed at providing some of the needed inducements. Incentives will be targeted spatially based on an understanding (from 3.1) of which incentives will have the greatest impacts on conserving forests. Key elements of current incentive structure to be assessed and, where possible, addressed will include:

- Changes to inter-governmental fiscal transfer system to enable the most efficient and equitable options for incentivizing increased productivity and conservation of spare land, while better reflecting current and potential level of ecosystem services
- Ways to base access to credit and tax incentives on improved oil palm production practices
- Fiscal incentives that are easiest to reform and would do the most to improve budget efficiency
- Fiscal incentives to promote yield improvements among smallholders, coupled with spatial constraints on expansion (to be negotiated at community and landscape level)
- Support to raising smallholder yields and livelihoods by linking smallholder access to fiscal incentives and government-facilitated land tenure clarification, giving less emphasis on subsidized inputs and more support to smallholders to access global and domestic value chains. May include concessional loans to certified producers. Ensure that investments in yield increases are accompanied by spatial constraints on expansion, to increase production/yields and not increase crop expansion as farmers experience better performance
- Identify how performance against certification and standards (RSPO and ISPO) can be linked to fiscal incentives such as credit guarantees and tax concessions, as well as differentiated tariffs for certified exports, in order to improve palm oil production practices across the sector

- Improve land management performance at provincial and district levels in order to access government incentives by limiting access to credit subsidies and government guarantees through state banks, and tax concessions, on the basis of performance measures. This can include transfer mechanisms to provincial or district governments screening for compatibility with low carbon growth objectives, jurisdictional approaches to REDD+ to bundle and spatially direct incentives, targeting incentives towards degraded lands, incorporating performance standards into bank lending (public and private).

71. Work related to financial incentives will have both national level and provincial and district level components. National level efforts will work on performance-based national and sub-national incentive mechanisms developed in conjunction with the Ministry of Finance and the MoEF and will relate to direct fiscal incentives and intergovernmental fiscal transfers to provinces and districts.
72. Support at landscape level will use a PES-styled arrangement incorporating communities and district stakeholders who influence land siting or land use decisions resulting in forest protection or reduced deforestation. Incentive arrangements will be developed and implemented at the target landscapes, including within already leased but undeveloped plantation lands, with funding sources that will include REDD+ funds, direct payments, co-financing support, and payment for technical co-operation support under components 1 and 2. Support and application of the Special Purpose Fund, a direct grant agreement with selected districts and a Regional Incentive Fund will also be explored.

#### **Component 4: Knowledge management and M&E**

<b>OUTCOME 4</b>	<b>Increased knowledge and understanding of the multiple factors underlying successful implementation of reduced deforestation, green growth strategies for Indonesia's estate crops sector</b>
<b>Indicators</b>	<ul style="list-style-type: none"> <li>• <i>Technical understanding of level of jurisdictional readiness for reduced-deforestation commodity production and impacts of associated capacity building interventions</i></li> <li>• <i>Documented examples of specific lessons shared and applied in other sub-national and national situations</i></li> </ul>
<b>Outputs</b>	<p>4.1 <b>Capture of lessons learned</b> at multiple geographic levels (landscape, district, provincial, national) from systemic support and demonstration activities</p> <p>4.2 <b>Thematic studies</b> and other <b>knowledge, awareness and communications materials</b> produced and available for dissemination</p> <p>4.3 <b>Training, capacity building</b> and <b>awareness raising</b> to share knowledge and promote learning and uptake</p> <p>4.4 Project <b>monitored</b> and <b>evaluated</b></p>
<b>Activities</b>	See Annex A, Workplan

73. Component 4 will ensure that the full range of lessons generated by the project activities are captured and converted into knowledge, particularly on the part of stakeholders whose actions have important impacts on the wider prospects for a more sustainable, reduced deforestation path of estate crop development.
74. Primary themes for lesson learning will include: 1) approaches to constructively engaging governments and balancing potential or perceived conflicts between environmental protection and

aspirations for economic growth; 2) national policies that positively influence estate crop production practices to reduce deforestation, enabling conditions for these policies to be effective; 3) approaches to working with the private sector to improve the implementation of deforestation-related commitments; 4) good practices for mainstreaming gender and building resilience, with observations regarding the effectiveness of interventions at various levels, the role of the private sector; 5) the development of improved policies and regulations in the target jurisdictions; and 6) approaches to linking project outcomes and outputs to REDD+ and observations in regard to the influence of financial support on producer behavior.

75. Analytical studies and policy briefs will be rooted in an enriched quantitative and qualitative picture of the dynamics of land use and land use change (notably deforestation) within the target landscapes and jurisdictions, and in parameters related to the human environment, the political economy of commodity growth within the areas and an understanding of governance factors. Economic aspects, as well as indicators of landscape integrity, such as biodiversity health indices, will be measured. Both positive and negative aspects of commodity production and expansion will be considered and assessed.
76. In addition to policy brief and studies, a range of communication materials will be developed for sharing in various forums and online. These will include videos, brochures, website posts and blogs. In particular, a video production and online distribution campaign will be organized, with a social media engagement element designed to raise awareness of targeted issues. This will be designed as an annual campaign, each year building on the last in order to build interest in target issues. These and other communication materials will be developed and shared at workshops, CoPs, annual events and as presentations at global events. They will be intrinsic elements in sharing project findings and advancing thinking on the challenge of reduced deforestation commodity production.
77. Knowledge and tools, along with training and awareness materials, will be disseminated so that learning—for example, within target landscapes—is shared at sub-national (e.g. provincial) and national levels. Provincial platforms being supported under Output 1.2 will represent the primary outlet for this dissemination process. Through the platforms, materials for training and capacity building will be shared and in-depth courses organized. Importantly, cases will be analyzed within platform committees as evidence to support possible uptake and replication.
78. Knowledge management efforts will be closely links to analogous work being undertaken by the Commodities IAP. This will include frequent exchanges of data and information between the projects, sharing of relevant methodologies, etc. These exchanges will be based on the scope and comparative advantage of each project. For example, where the present project identifies issues or solutions related to farmer support needs in its target landscapes or districts, these may be directly ‘connected’ to corresponding components and expertise within the C-IAP. The provincial and national platforms being set up by the projects will be important hubs for this type of knowledge exchange.
79. Details of monitoring and evaluation activities are presented in Section VIII below.

### **Partnerships:**

80. The project’s work to improve the forest area planning and management system at the national and provincial level and transform the plantation sector is an essential component for strengthening the safeguarding of biodiversity and ecosystem management in HoB. Focusing on the plantation sector and the forest landscape with existing and earmarked plantation concessions, the



proposed project will provide essential models for plantation/forest landscape planning and management.

81. The project will work in close concert with a second UNDP-GEF project—the Commodities Integrated Approach Pilot (C-IAP)—in order to address the above-described development challenge. Whereas the C-IAP will focus on issues related to oil palm production, including dialogue and action planning, farmer support strategies, spatial planning and knowledge management, the present project will focus on management and protection of forest land and forest cover in landscapes that are subject to actual and potential conversion to production of palm oil and other estate crops. The viability of the project strategy is significantly enhanced by its complementarity with the IAP. The latter’s emphasis on enhanced farmer support strategies, a supply chain approach and knowledge sharing is expected to make a major contribution towards demonstrating the attractiveness of more environmentally sustainable approaches to palm oil development in Kalimantan and elsewhere in Indonesia.
82. The project will also work closely with the Global Green Growth Institute, which is implementing, in close co-operation with the Government, a Green Growth Programme for 2016-19 titled “Prioritizing Investments: Delivering Green Growth in Indonesia.” The GoI-GGGI programme aims to mainstream green growth into plans and strategies, shape enablers to reduce risks of investing in green growth, support green investment flows within target sectors and build related knowledge and capacities. The present project will work closely with GGGI nationally and in Central and East Kalimantan, while aiming to complement its efforts to support green growth policies and programmes in the forest sector.
83. In addition to the above, the project will directly complement and contribute to the achievement of the goals of the projects shown in **Table 4** below.

**Table 4: Projects / Initiatives and Linkages**

Project/Initiative	Linkage
GGGI: Green Growth Programme for 2016-19 titled “Prioritizing Investments: Delivering Green Growth in Indonesia.”	<p>The Global Green Growth Institute (GGGI) works in close collaboration with the Government of Indonesia through the GoI-GGGI Green Growth Program. The program is currently in its second phase, running from 2016 until the end of 2019. Activities of GGGI that dovetail with the GEF project and contribute to its goals include work at the national level, with the Ministry of Environment and Forestry and BAPPENAS, and in the provinces of East and Central Kalimantan.</p> <p>At the national level, GGGI supports the design of the national REDD+ financial mechanism and the development and application of tools and methods for economic analysis and project design, including the design of forest-related projects. At the sub-national level, GGGI has been working closely since 2013 with provincial and district governments in the two provinces to mainstream green growth into development plans and strategies. In East Kalimantan, the organization provides support to the Regional Climate Change Council (DDPI), which directs and coordinates all REDD+ activities in the province. GGGI has already assisted in the preparation of the ER-PIN for the proposed FCPF Carbon Fund program in East Kalimantan and will continue with technical assistance to prepare the ER-PD, or program document. If the application is successful, this could lead to performance-based payments of up to \$100 million for REDD-related actions in the province. GGGI will also support capacity development and planning for up to 24 forest management units (KPH) in</p>

	<p>East Kalimantan to prepare them to participate in and benefit from the FCPF program.</p> <p>Alongside the work with government on planning, program design, and institutional capacity building, GGGI also has a particular focus on facilitating and driving investment in bankable projects, including projects in forest-related sectors. In 2017-18, the organization plans to support the design and financial planning for at least three bankable projects in East and Central. These projects will be developed in the context of sustainable landscape management under a jurisdictional approach to REDD+.</p>
GIZ / FORCLIME program	Directly complements via work done on the design of mechanisms and regulations for district-based REDD+ initiatives as well as support for payment for ecosystems services schemes in the region
GEF/ADB Sustainable Forest and Biodiversity Management in Borneo	Directly complement by strengthening policies/institutions (PA strengthening, enforcement, development of conservation villages) and developing PES mechanisms, including REDD+
Heart of Borneo Green Economy	Directly complement by enabling and mainstreaming ecosystem valuation into decision-making processes
National development plans (NBSAP and RAN-GRK)	Directly complement and collaborate
Indonesian Climate Change Initiative	Directly complement project objectives
National forestry management plans	Directly complement and collaborate
Norway-Indonesia bilateral Letter of Intent (LOI) initiative: "Cooperation on reducing greenhouse gas emission from deforestation and forest degradation"	Directly complement and collaborate, especially with its main pilot developing an incentive mechanism to slow forest degradation in Central Kalimantan
Indonesia Sustainable Palm Oil Program	Directly complement project objectives
REDD and REDD+ Programmes	Coordination of project activities with UN Office for REDD+ Coordination in Indonesia (UNORCID) and the UN-REDD Programme

### **Stakeholder engagement**

84. Table 5 below identifies and briefly describes the role of the key stakeholders in project implementation. Nearly all of these stakeholders have been engaged in some manner by the PPG process, an engagement which will continue and deepen during the full project.

85. The primary mechanism for ensuring co-ordination with the groups and institutions mentioned in **Table 5** are the co-ordination platforms that are being supported by the project, in parallel and in

co-operation with similar mechanisms being established and supported under the Commodities IAP project. At national level, this consists of the Indonesia Palm Oil Platform (InPOP), which has been operating since March 2015, advising and supporting the Indonesian Government, companies and civil society on the development of more sustainable palm oil supply chains. At provincial level, the project will establish co-ordination platforms in each of the participating provinces, in the case of West Kalimantan jointly with the IAP. InPOP and these provincial platforms will be closely integrated. Finally, district-level fora will be established in each of the four pilot districts. Together, these mechanisms will ensure not only co-ordination, but an active process of lesson dissemination and uptake among these groups and institutions and between them and the GEF project.

**Table 5: Stakeholders and their mandate and relevant roles in the project**

STAKEHOLDER	MANDATE AND RELEVANT ROLES IN THE PROJECT
Ministry of Environment and Forestry (MoEF)	MoEF is responsible for, <i>inter alia</i> , the protection of forests and wildlife resources, planning and management of conservation areas and species conservation. It will be the lead government agency for the project. The Ministry is the CBD focal agency and houses the national GEF Secretariat headed by the GEF OFP. It has the overall responsibility for biodiversity conservation and for implementing the environment impact assessments (AMDAL in Indonesian). The MoEF role in the project will include strengthening of the AMDAL process and oversight and model implementation at the project demonstration sites. The Directorate General for Forestry Planning is responsible for classification and mapping of forest areas as well as decision making for forest class changes, including release of conversion forest for other usage such as palm oil production.
BAPPENAS	National government agency responsible for national economic and development planning, as well as development of strategies and policies in determining financial allocations for the various sectors of the national economy. Long- and medium-term plan and annual implementation plan are central in the spatial planning process and will therefore have a critical role in implementation of the project.
Ministry of Agriculture. (MoAg)	The MoAg responsible for agricultural development including the palm oil sector. It is also responsible for developing and implementing ISPO standards which is a mandatory system for all plantation companies in Indonesia. In this project, the MoAg will have a key role supporting training of the medium size plantations and smallholders as well as ensuring compliance with ISPO.
Ministry of Home Affairs (MOHA)	This Ministry is responsible for national spatial planning and is coordinating agency the provincial and district governments. The MOHA will play a key role within the project in mainstreaming the biodiversity in the spatial planning process and facilitating effective involvement of sub-national government.
National Land Affairs Agency (BPN)	The Agency is responsible for registration of all land property matters including palm oil estate registration but excluding those pertaining to the mining and forestry sectors.
Ministry of Public Works	The Directorate General of Spatial Planning of the Ministry of Public Works has been involved in the implementation of the activities under the National Spatial Planning Coordination Board. The Ministry will have an important role to play in any spatial plan revision process.
Provincial Governments (West, Central and	The provincial governments have the oversight function for determining land uses within the province, as well as the day-to-day management of the production and protection forests in the province via the Provincial Forestry Agency. These three Kalimantan provinces will host

KEHOLDER	NDATE AND RELEVANT ROLES IN THE PROJECT
East Kalimantan)	provincial-level platforms and participate in a multi-province task force to create a forest safeguarding plan for the HoB.
District Governments of Ketapang and Sintang (West Kalimantan), Kota Waringin Barat (Central Kalimantan) and Kutai Timur (East Kalimantan)	<p>District governments are expected to provide the support for the project at the district level, including logistical support in the form of an office or work place in a strategic position within the district government to ensure that the project has steady access to key district government personnel. The district government is also expected to impress upon the key departments of plantations, national land planning, and the environmental planning and regulatory agency (<i>Bappedal</i>) the potential that the project can provide the government at multiple levels, and especially at the district level, which is the key to the success of the program.</p> <p>The district government will also support the district level forum, which is a key to potential development of connectivity aspects to the project. The district government will make an essential contribution to the end goal of implementing a landscape focused environmental connectivity example as such an approach will require working with a variety of companies, and communities who are using the land in a mixed mosaic.</p> <p>Finally, the district government will be helpful in working with the UNDP and the private sector in developing deeper modes of relationships with leading agricultural and plantation companies active within their districts.</p>
Provincial Agency for Natural Resource Conservation (BKSDA)	A subsidiary of Directorate General of Forest Protection and Nature Conservation (PHKA) with authority to manage conservation areas other than national parks. It is also responsible for conservation of flora and fauna at the district level. The BKSDA will have a key role in the project in the components related to biodiversity planning and conservation actions at the landscape and site levels.
BAPPEDAL	It is a provincial subsidiary agency of the Ministry of Environment and provides the provincial governors and district heads with advice pertaining to issuance of palm oil license based on environment assessment. BAPPEDAL's role in the project will relate with the process of AMDAL compliance and improving environmental management at the pilot provinces.
AMAN (National alliance of indigenous peoples)	AMAN will have a role in ensuring indigenous peoples' concerns are incorporated into spatial planning and project activities. It will be a key institution in ensuring social safeguards for the project and supporting resolution of conflicts at site levels. AMAN will also act as a conduit to local NGOs and civil society organisations in the target districts.
International and national NGOs	NGOs will help in supporting the project and providing training of smallholders and communities in the target districts and where appropriate providing research and insight into district level processes relating to the project goals. The PPG process has developed close relationships with the key national NGOs that are operating in the target site districts, such as WWF and GGGI, and will be project partners in terms of implementation, data gathering, community engagement and ground truthing the land status of high biodiversity areas.
GAPKI - The Indonesian palm oil industry association	GAPKI brings together public and private estates and co-operatives, collectively responsible for half the total oil palm estate and smallholding area in Indonesia. GAPKI represents the national and international interests of members, promotes palm oil in support of the government policies. GAPKI will play a role in implementation of the project in particular under component 2 and in supporting the project goals as they relate to better plantation management of high biodiversity areas within existing and planned plantation licences.
Certification Bodies	Certification bodies will have a role in the project for compliance assessments, and issues of palm oil estate certification towards the end of the project. This is important as it relates to component three on incentive mechanisms and in the implementation of incentive based payments where there is improvement in the production of sustainably produced products.

KEHOLDER	NDATE AND RELEVANT ROLES IN THE PROJECT
ISPO Commission	The institution is responsible for the implementation of the ISPO standards, thus has a role in component 2 of the project. Joint training by the project and the ISPO secretariat will be a activity within component two.
Pusdiklat Perkebunan (district)	An institution to provide training for ISPO standards. The Pusdiklat's role in the project will be one of resource person/agency and potential candidate for implementing of particular activities within the project.
UNDP	At the request of the Government, UNDP will serve as the GEF Implementing Agency (IA) for the project. In this role, UNDP will ensure project execution on time, on scope and within budget and provide technical quality assurance. The project assurance and support functions will be provided by the UNDP Indonesia Country Office as well as UNDP Asia-Pacific Regional Centre which houses technical advisors for these projects.
Private sector	Within the pilot districts the following plantation companies are found: Wilmar, Musim Mas, Golden Agri Resources, IOI Corporation, Marcus Evans, MinarMas Plantations, Austindo Nusantara Jaya, and many others.

### **Mainstreaming gender:**

86. The project will be closely aligned with both the UNDP Gender Equality Strategy and with the GEF Gender Mainstreaming Policy. As part of overall project preparation, gender analyses examined the literature on gender differences related to the commodities supply chain, including reduced productivity of female-led farms due to differential access to inputs. Other disadvantages are prevalent within the upstream palm oil supply chain which makes it difficult for women in plantation landscapes to improve their livelihoods where there is a solitary income source (see Achmad Surambo and Elsa Susanti (2010), *The Oil Palm Plantation System Weakens the Position of Women*, Sawit Watch & Women's Solidarity for Human Rights; Tillack, G (2016), *Understanding Growing Labor Violations in the Palm Oil Industry*, RAN Report). As part of the Prodoc, gender differences in terms of access to resources, such as land, livestock and financial services, were examined as well as legal rights and land tenure issues that may act as a barrier to increasing livelihood outcomes for rural women. Other issues such as the gender division of labour and differences in availability of time were also factors that were assessed.

87. According to the above reviews, gender differentiation in production of agricultural commodities has a wide range of economic and social impacts. For example, gender-related social issues facing Indonesia's palm oil sector include:<sup>37</sup>

- Women's participation in the oil palm sector, while significant, is barely addressed in studies and statistics.
- Women are often excluded from formal plot ownership. Plots are generally registered in men's names, which means that mainly men are eligible to become members of co-operatives;

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<sup>37</sup> See, e.g., Li TM. 2015. Social impacts of oil palm in Indonesia: A gendered perspective from West Kalimantan. Occasional Paper 124. Bogor, Indonesia: CIFOR.

- In the plantation sector, a gendered division of labor put in place by plantation managers often relegates women to lower paid casual jobs
- Women may not be paid directly for fruit collection in cases where their contribution is used to help meet their spouses' production quotas.
- Women and children often bear the brunt of health hazards in the palm oil sector, including those associated with application of pesticides.

88. The project will engage stakeholders, including commercial producers, smallholders (men and women) and communities to encourage forest conservation and to improve agricultural yields without compromising high biodiversity areas and carrying capacity. In doing so, the project will make a material contribution to gender equality and women's empowerment in the target districts. The project includes a gender-disaggregated objective-level indicator for "the number of direct project beneficiaries among groups including smallholder farmers and forest-dependent communities" and will contribute to a gender-disaggregated Programme-level indicator on learning.

89. **Table 6** describes the specific issues and barriers relating to gender equality and women's empowerment, as well as the actions planned to mainstream gender into the child project's implementation. Country-level action plans will be developed during the project's inception phase.

**Table 6: Integration of gender equality and women's empowerment into project design, by component**

Component	Issues/barriers	Gender mainstreaming actions planned for implementation
1. Mainstreaming of forest ecosystem service and biodiversity considerations into national, provincial, and district policies and decision-making processes for forest area planning and management	<ul style="list-style-type: none"> <li>• Women's voices, perspectives and interests are under-represented in decision-making processes</li> <li>• Policies may not be geared to addressing challenges that are predominantly facing women</li> </ul>	<ul style="list-style-type: none"> <li>• The composition of provincial platforms and district-level fora will be designed to ensure gender balance and coverage of gender issues (relevant Ministries, NGOs, etc)</li> <li>• Gender-based analysis of policy proposals as appropriate</li> <li>• Collection of gender-disaggregated data for all consultations, meetings, etc and make efforts to ensure better balance where possible</li> </ul>
2. Strengthened and expanded implementation of best practises in the estate crops sector in maintaining biodiversity and ecosystem services in four target landscapes in Kalimantan	<ul style="list-style-type: none"> <li>• Low level of women's participation in estate management</li> </ul>	<ul style="list-style-type: none"> <li>• Farmers' cooperatives/user groups, etc, should at least have 10-20% women representation as executive members</li> </ul>
3. Creation of incentives system to safeguard forests, including	<ul style="list-style-type: none"> <li>• Women may have less financial visibility or participate less in</li> </ul>	<ul style="list-style-type: none"> <li>• Collect gender-disaggregated data on beneficiaries of incentive payments</li> </ul>

Component	Issues/barriers	Gender mainstreaming actions planned for implementation
biodiversity and ecosystem services, from estate crop sector	financial transactions	
4. Knowledge management and M&E	<ul style="list-style-type: none"> <li>Gender differences are not always considered in analysis of sustainable commodity challenges and interventions</li> <li>Discussion and learning does not always refer specifically to gender issues</li> </ul>	<ul style="list-style-type: none"> <li>A study analysing the gender gap as it affects the target provinces and of lessons learned through project efforts to remove this barrier</li> <li>The IAP Global Community of Practice (CoP) will include thematic discussions specifically on gender and convene expert organizations to present to participants, as well as sharing and lesson learning concerning the implementation of gender mainstreaming strategies and integration of gender in program M&amp;E</li> </ul>

### **South-South and Triangular Cooperation (SSTrC):**

90. The project places substantial emphasis on lesson learning, dissemination and uptake. These processes will unfold at multiple levels, beginning with target landscapes and working upwards through district and provincial platforms and ultimately to the Indonesian Palm Oil Platform (InPOP).
91. Where significant lessons are learned, these will ultimately be disseminated internationally through the C-IAP's global Community of Practice (CoP). The CoP will bring together practitioners and producers from the South, with a focus on Brazil, Paraguay, Indonesia and Liberia. It will serve as a platform to facilitate South-South cooperation and technology transfer to and from GEF-supported and other projects, with a focus on identifying the most effective set of interventions to reduce deforestation in global commodity supply chains and to promote replication.
92. The CoP will provide an opportunity for the present project to support South-South learning, cooperation, and networking among a broad array of practitioners. Learning, exchange and co-operation will take place both within Indonesia and with other countries via these exchange fora, which will enable and guide much of the project's support to enhanced south-south co-operation. The project will provide funding for participation by key project partners in the COP and dissemination of the project's key knowledge products.
93. In addition to the CoP, there will be numerous opportunities for sharing lessons learned by the project. Success stories will figure prominently among the lessons being shared, with the goal of ensuring extensive within- and between-country uptake and replication. Opportunities will also be identified and pursued for exchanges with countries involved in UN-REDD, GCP and GEF commodity projects in order to optimize institutional learning and dissemination in key technical areas related to the commodity production: deforestation nexus. Short- and medium-term international experts will deliver technical support and coherence within the thematic areas addressed by the project. These will include experts from developing countries who have helped tackle similar challenges in

their own countries—thus bringing an important element of south-south co-operation into the process.

94. Finally, the project team will engage regularly with external partners, will participate at key events and will disseminate information through media coverage, publications and presentations, all of which will facilitate South-South learning.

## IV. FEASIBILITY

### i. Cost efficiency and effectiveness:

95. The project's cost effectiveness will be enhanced through a variety of approaches, including the following:

- Emphasis on environmental economic analysis, aimed at helping to ensure that strategic shifts in estate crop plans are fully justified on the basis of extended cost-benefit analysis;
- A careful prioritization exercise to ensure that conservation efforts aim first and foremost at areas where potential for incremental benefits are greatest and financial trade offs are least;
- Close linkages with the C-IAP project will help to ensure that lessons are learned widely in both directions (incoming and outgoing).

### ii. Risk Management

**Table 7: Project Risks**

Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
Limited KLHK authority over conservation of forests in APL lands	Political	P = 3 I = 3	The project emphasises a multi-sectoral approach to land allocation	Project Manager	
Influential stakeholders who benefit from forest conversion and over-exploitation of resources undermine the biodiversity mainstreaming efforts	Financial Political	P = 2 I = 2	It is recognized that some stakeholders will hold negative views towards biodiversity support and mainstreaming actions, fearing a loss of potential income from plantation development. If these stakeholders exert political pressure to hinder the mainstreaming actions, the project's outputs and outcomes could be compromised. The PPG phase has developed a thorough institutional context analysis as part of the stakeholder involvement planning and the project interventions have been designed based on the existing complex political and economic conditions. A strategy for engaging with potentially negatively-minded stakeholders will see the government and project partner playing a key role in communicating with and nullifying the influence such stakeholders may have. Key to this is ensuring that the government at all levels understands the very negative	Project Manager	



Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
			consequences short term thinking, untrammelled plantation development will cause for Indonesia's national interest. Educating key stakeholders about the value of natural capital is also a mitigation measure. Creating more transparent mechanisms for decision making and targeted awareness creation for community and government officials and key decision makers is also expected to contribute to reducing this risk. The development of more equitable incentive mechanisms for communities and government will also be an important mitigation measure.		
Recent change of the government as well as future turnover of high level decision makers at the national and sub-national levels, leading to change in the government's commitments for emission reduction and sustainable palm oil sector growth	Political	P = 2 I = 3	The project will mitigate this risk by aligning the project objectives and outcomes with the mainstream national interest and the national designed and recognized government policies and strategies. This includes official emission reduction targets, national REDD plus strategy, forest protection actions, peatland management approaches and national sustainable palm oil guidelines. In addition, by addressing the systemic and institutional dimensions related to plantation concession allocation decision making, as well as associated capacity development, the project will ensure that any improvements in the system will be fully institutionalised within the government process in order to avoid a change of practice because of personal or government changes in the future.	Project Manager	
Long standing issues related to site level social conflict and land tenure hinders implementation of the landscape level components of the project	Organizational Operational	P = 2 I = 2	Failure to tackle the issue will likely to negatively affect project progress and impact. During the PPG phase, the issues will be carefully looked at through the institutional context analysis through discussion with appropriate agencies and local community institutions to find the right approach to minimise the risks. In the process of selecting the target landscape during the PPG, this risk will be fully taken into consideration to mitigate the risk in project implementation. Government support at national and provincial and district level is key here, and the PPG process has included multiple meetings with key government officials and departments who have provided insight and recommendations into the project document itself.		
Government agencies at different levels do not fully cooperate and coordinate activities effectively for pursuing improvement in the palm oil concession granting process	Operational	P = 3 I = 2	Coordination and joint action between the key agencies especially the Ministry of Environment and Forestry (and its divisions), the Ministry of Agriculture, Ministry of Home Affairs and the National Land Agency, as well as provincial and district governments will be critical in addressing inconsistencies relating to LUC and plantation management in Indonesia. Project steering mechanisms will be carefully designed in order to nurture the necessary sense of ownership for the projects by key agencies, ensuring the perception that it is a district level project rather than a national MOEF / UNDP project. A government multi-agency project planning committee will be developed to see	Project Manager	

Description	Type	Impact & Probability	Mitigation Measures	Owner	Status
and landscape planning and management			how it can support project implementation and oversight and support greater cooperation.		
Climate change may undermine the conservation objectives of the Project	Environmental	P = 2 I = 2	The Project will work to address the anticipated negative impacts of climate change by increasing resilience of the forest landscape, through promoting sustainable management of large-scale landscape in Kalimantan. Maintenance of large-scale resilience is critical in securing flow of ecosystem services and avoiding irreversible ecosystem regime shifts, which may be caused by climate induced factors.	Project Manager	

iii. Social and environmental safeguards:

96. A Social and Environmental Screening Procedure (SESPs) was conducted during the PPG (see **Annex D**).

iv. Sustainability and Scaling Up:

97. The fact that the project will directly contribute to the country's emission reduction action plan as well as sustainable forest management and sustainable palm oil initiatives of the government will ensure that the outputs and outcomes of the project will be sustained beyond the project lifespan. The improved concession granting process and the demonstration, coupled with capacity development of related entities, will together build a foundation for sustainability and scaling up of the landscape management models. Additionally, by creating policy and financial incentives for biodiversity-friendly palm oil production, the project will increase its sustainability and scale-up potential in the future.

## V. PROJECT RESULTS FRAMEWORK

<b>Intended Outcome as stated in the UNDAF/Country Programme Results and Resources Framework:</b>					
Outcome 3: By 2020, Indonesia is sustainably managing its natural resources, on land and at sea, with an increased resilience to the effects of climate change, disasters and other shocks.					
<b>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</b>					
<b>Outcome indicator 3.1:</b> Number of hectares of land managed under an in-situ conservation regime [Baseline – 2015: 9,300,000 hectares; Target – 2019: 15,500,000 hectares]					
<b>Outcome indicator 3.5:</b> Percentage reduction in greenhouse gas emissions against 'BAU' trajectory in 2020 [Baseline – 2014: 15.5%; Target – 2019: 26.6%]					
<b>Applicable Outputs from the 2014 – 2017 UNDP Strategic Plan:</b>					
Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.					
Output 2.5: Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.					
<b>Applicable Output Indicators from the UNDP Strategic Plan Integrated Results and Resources Framework:</b>					
Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.					

	Objective and Outcome Indicators	Baseline <sup>38</sup>	Mid-term Target <sup>39</sup>	End of Project Target	Assumptions <sup>40</sup>
<b>Project Objective:</b>  <i>Maintaining forest areas, including the biodiversity and ecosystem functions of Kalimantan's lowland and montane areas, from the development of estate crops</i>	Total net area of HCV-equivalent forest within Kalimantan portions of HoB identified, mapped and with significantly enhanced legal protection due to: (i) reclassification from APL to permanent forest, (ii) removal from convertible forest category or (iii) other legal protections (e.g. within plantation set aside rules, KEE implementation, etc.)	Baseline estimate to emerge from mapping exercise during year 1 and 2	Increase from baseline of 250,000 ha of HCV-equivalent forest	Increase from baseline of 500,000 ha of HCV-equivalent forest	Enhanced legal protection increases the likelihood that HCV forest will be protected from estate crop development
	Number of new partnership mechanisms with funding for sustainable management solutions of natural resources, ecosystem services, chemicals and waste at national and/or subnational level.	0 provincial forest and estate crops platforms and 0 multi-province Task Forces	At least 20 private sector, civil society, and donor organizations newly connected and engaged in broad-based dialogue through 3 provincial platforms and 1 multi-province Task Force	At least 30 private sector, civil society, and donor organizations newly connected and engaged in broad-based dialogue through 3 provincial platforms and 1 multi-province Task Force	Platforms and action plans fully incorporate the objective of, and provide effective support for, reduced deforestation commodity production

<sup>38</sup> Baseline, mid-term and end of project levels must be expressed in the same neutral unit of analysis as the corresponding indicator. Baseline is the current/original status or condition and need to be quantified wherever possible. The baseline must be established before the project document is submitted to the GEF for final approval. The baseline values will be used to measure the success of the project through implementation monitoring and evaluation.

<sup>39</sup> Target is the change in the baseline value that will be achieved by the mid-term review and then again by the terminal evaluation.

<sup>40</sup> Risks must be outlined in the Feasibility section of this project document.

	Objective and Outcome Indicators	Baseline <sup>38</sup>	Mid-term Target <sup>39</sup>	End of Project Target	Assumptions <sup>40</sup>
	Number of additional people benefitting from strengthened livelihoods through solutions for management of natural resources, ecosystems services, chemicals and waste	0 additional people	1,000 people from local communities and including forest-dependent peoples, benefitting from strengthened livelihoods due to improved systems for protection of ecosystem services (green goods and services') coming from conserved APL and convertible forest areas	2,000 people benefitting	Accessibility of forest areas to local communities remains equal or improves
<b>Component 1:</b> <b>Mainstreaming of forest ecosystem service and biodiversity considerations into national and provincial policies and decision-making processes for forest area planning and management</b>	<b>Outcome 1:</b> Forest ecosystem services, including carbon and biodiversity aspects, are more fully taken into account in policies, decisions, and management actions at national and provincial (West, Central and East Kalimantan) levels				
	<b>Outcome Indicator 1.1</b> Number of national and/or provincial-level policy and regulatory changes.	<b>Baseline</b> <b>1.1</b> 0 policy and regulatory priorities realized	<b>Mid-term Target</b> <b>1.1</b> 3 policy and regulatory priorities realized	<b>End of Project Targets</b> <b>1.1</b> At least 6 changes, including: (1) rules regarding oversight of high biodiversity multiple-use forest landscapes, (2) national and provincial concession-granting processes, (3) regulations governing land classification, including "abandoned lands" regulations, (4) establishment of a mechanism to promote / incentivize use of degraded lands by estate crops sector	
	<b>Outcome Indicator 1.2</b> Area of High Conservation Value (HCV) forests located within the three participating provinces and currently classified as either APL or convertible forest reclassified and/or subject to new and enforceable regulatory protections.	1.2 Forested APL, including HCV areas, has few enforceable or enforced legal or regulatory protections and is therefore subject to high levels of conversion	1.2 At least 100,000 ha of HCV currently categorized as APL or convertible forest is either reclassified as permanent estate crop or subject to new and enforceable regulatory	1.2 At least 250,000 ha of HCV currently categorized as APL or convertible forest is either reclassified as permanent estate crop or subject to new and enforceable regulatory protections as forested APL.	

	Objective and Outcome Indicators	Baseline <sup>38</sup>	Mid-term Target <sup>39</sup>	End of Project Target	Assumptions <sup>40</sup>
			protections as forested APL. Areas to be prioritized based on factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	Areas to be prioritized based on factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	
<b>Component 2 Development and demonstration of strategies for integrating forest area planning, management and conservation with estate crop spatial planning and management across four districts of Kalimantan (Ketapang, Sintang, Kota Waringin Barat, and Kutai Timur) and at target landscapes within those districts</b>	<b>Outcome 2:</b> Policies and plans to deliver global and national benefits from forest conservation and estate crop development are in place in four districts of Kalimantan and innovative approaches to their implementation have been demonstrated in target landscapes containing at least 200,000 ha of forest area currently outside of the estate crop				
	<b>Outcome Indicator 2.1</b> Tons of CO2e emissions avoided within the three Kalimantan provinces	<b>Baseline 2.1</b> 0 additional tons of CO2e avoided	<b>Mid-term Target 2.1</b> 10 million tons CO2e emissions projected to be avoided on actions to date	<b>End of Project Target 2.1</b> 24.16 million tons CO2e emissions projected to be avoided through landscape-level demonstrations	
	<b>Outcome Indicator 2.2</b> Area of High Conservation Value (HCV) forests located within the four demonstration landscapes and currently classified as either APL or convertible forest reclassified and/or subject to new and enforceable regulatory protections.	<b>Baseline 2.2</b> Forested APL, including HCV areas, has few enforceable or enforced legal or regulatory protections and is therefore subject to high levels of conversion	<b>Mid-term Target 2.2</b> At least 15,000 ha of HCV currently categorized as APL or convertible forest is either reclassified as permanent estate crop or subject to new and enforceable regulatory protections as forested APL. Areas to be prioritized based on factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	<b>End of Project Target 2.2</b> At least 30,000 ha of HCV currently categorized as APL or convertible forest is either reclassified as permanent estate crop or subject to new and enforceable regulatory protections as forested APL. Areas to be prioritized based on factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	
	<b>Outcome Indicator 2.3</b> Local institution capacity ( <b>Note:</b> Baselines and targets to be determined during year 1)	<b>Baseline 2.3</b> Ketapang KPH: # Sintang KPH: #	<b>Mid-term Target 2.3</b> Ketapang KPH: # Sintang KPH: #	<b>End of Project Target 2.3</b> Ketapang KPH: # Sintang KPH: #	

	Objective and Outcome Indicators	Baseline <sup>38</sup>	Mid-term Target <sup>39</sup>	End of Project Target	Assumptions <sup>40</sup>
		Kota Waringin Barat KPH: # Kutai Timur KPH: #	Kota Waringin Barat KPH: # Kutai Timur KPH: #	Kota Waringin Barat KPH: # Kutai Timur KPH: #	
	<b>Outcome Indicator 2.4</b> No. of district-level forest safeguarding plans approved and endorsed by key stakeholders		<b>Mid-term Target 2.4</b> Draft plans prepared covering an estimated 3.7 million ha of forest, 416,000 ha of which are currently outside of the estate crop	<b>End of Project Target 2.4</b> Plans covering an estimated 3.7 million ha of forest, 416,000 ha of which are currently outside of the estate crop.	
	<b>Outcome Indicator 2.5</b> Number of policies and regulatory changes at district level	0 policies and regulatory changes at district level	<b>Mid-term Target 2.5:</b> At least 4 revised policies and regulatory changes at district level	<b>End of Project Target 2.5</b> At least 8 revised policies and regulatory changes at district level	
	<b>Outcome Indicator 2.6</b> Percentage of forested lands within the pilot districts currently classified as either APL or convertible forest that has been reclassified to an enhanced protective status	Approximately 416,000 ha of forested APL and forested convertible forest in four pilot districts	<b>Mid-term Target 2.6:</b> 10% of selected forest areas currently classified as either APL or convertible forest to be reclassified as permanent estate crop, with a corresponding shift of non-forested, lower priority areas out of the estate crop, as appropriate. Chosen according to factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	<b>End of Project Target 2.6:</b> 25% of selected forest areas currently classified as either APL or convertible forest to be reclassified as permanent estate crop, with a corresponding shift of non-forested, lower priority areas out of the estate crop, as appropriate. Chosen according to factors including ongoing provision of critical ecosystem services and related risk of environmental damages (peat fires, etc.).	Public and private institutions mainstream sustainable production practices and are committed to transferring knowledge and technologies to producers through technical assistance, incentives and loans  Producers are committed to adoption of best practices for sustainable production of estate crops, restoration of degraded areas, and conservation of forests and ecosystem services

	Objective and Outcome Indicators	Baseline <sup>38</sup>	Mid-term Target <sup>39</sup>	End of Project Target	Assumptions <sup>40</sup>
<b>Component 3: Testing / demonstration of incentives mechanism(s) to reduce deforestation associated with the estate crops sector</b>	<b>Outcome 3:</b> Innovative ways of using financial incentives (and eliminating disincentives), designed to help reduce deforestation and forest fragmentation driven by estate crop development, have been demonstrated in target landscapes within four districts in Kalimantan				
	<b>Outcome Indicator 3.1</b> Incentive mechanisms in place and operational - to drive changes that significantly reduce the long-term threat or actual incidence of estate-crop driven deforestation	<b>Baseline 3.1</b> Few if any proven schemes in place	<b>Mid-term Target 3.1</b> Incentive payment schemes designed and ready for implementation	<b>End of Project Target 3.1</b> At least four documented examples of incentive payments being used. Together involving at least \$5 million in incentives and 50,000 ha in avoided deforestation and significant changes in landscape biodiversity health index due to reduced fragmentation, both compared with baselines to be determined in Year 1.	Activities under Components 1 and 4 provide information on avoiding the pitfalls of short-term landscape decision making for the government and communities.  Oversight and monitoring will ensure compliance with spatial constraints on expansion
<b>Component 4: Knowledge management and M&amp;E</b>	<b>Outcome 4:</b> Increased knowledge and understanding of the multiple factors underlying successful implementation of reduced deforestation, green growth strategies for Indonesia's estate crops sector				
	<b>Outcome Indicator 4.1</b> Technical understanding of level of jurisdictional readiness for reduced-deforestation commodity production and impacts of associated capacity building interventions	<b>Baseline 4.1.1</b> Baseline capacity assessment using the scorecard methodology developed by the Commodities IAP for four districts.	<b>Mid-term Target 4.1.1</b> Increase vs. baseline readiness assessment (amount TBD)	<b>End of Project Target 4.1.1</b> Increase vs. baseline readiness assessment (amount TBD)	
	<b>Outcome indicator 4.2</b> Documented examples of specific lessons shared and applied in other sub-national and national situations	<b>Baseline 4.1.1</b>  0 examples	<b>Mid-term Target 4.1.1</b>  3 examples applied	<b>End of Project Target 4.1.1</b>  7 examples applied	

\*) Annual target of the project will be defined and adjusted based on approved AWP

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## **VI. MONITORING AND EVALUATION (M&E) PLAN**

98. The project results as outlined in the project results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.
99. Project-level monitoring and evaluation will be undertaken in compliance with standard UNDP requirements as outlined in the [UNDP POPP and UNDP Evaluation Policy](#). Though these UNDP requirements are not detailed in this section of the project document, the UNDP Country Office will ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. The additional and mandatory GEF-specific M&E requirements as outlined in this section will be undertaken in accordance with the [GEF M&E policy](#) and other relevant GEF policies (link to be added). In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management, and the exact role of project target groups and other stakeholders in project M&E activities, will be finalized during the Inception Workshop and will be detailed in the Inception Report.

### **Oversight and monitoring responsibilities:**

100. The primary responsibility for day-to-day project implementation and regular monitoring rests with the Project Manager. The Project Manager will develop annual work plans based on the multi-year work plan included in the annexes, including annual targets at the output level to ensure the efficient implementation of the project. The Project Manager will ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality. This includes, but is not limited to, ensuring the results framework indicators are monitored annually in time for reporting (e.g. GEF PIR), and reporting to the Project Board at least once a year on project progress. The Project Manager will inform the Project Board and the UNDP Country Office of any delays or difficulties as they arise during implementation, including the implementation of the M&E plan, so that the appropriate support and corrective measures can be adopted. The Project Manager will also ensure that all project staff maintain a high level of transparency, responsibility and accountability in monitoring and reporting project results. The Project Board will address the issue when there is a complaint in relates to the project.
101. The UNDP Country Office will support the Project Manager as needed, including through annual supervision missions. The UNDP Country Office is responsible for complying with all UNDP project-level M&E requirements as outlined in the UNDP POPP. This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; that annual targets at the output level are developed, and monitored and reported using UNDP corporate systems; and updating the UNDP gender marker on an annual basis based on progress reported in the GEF PIR and the UNDP ROAR reporting. Any quality concerns flagged during by the process must be addressed by project management.
102. Additional M&E and implementation quality assurance and troubleshooting support will be provided by the UNDP-GEF Regional Technical Advisor and the UNDP-GEF Unit as needed. The



project target groups and stakeholders including the GEF Focal point will be involved as much as possible in project-level M&E,

103. **Audit:** The project will be audited according to UNDP Financial Regulations and Rules and applicable audit policies on NIM implemented projects.<sup>41</sup>

**Additional GEF monitoring and reporting requirements:**

104. **Inception Workshop and Report:** A project inception workshop after the project document has been signed by all relevant parties to: a) re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project implementation; b) discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms; c) review the results framework and discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; d) review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and e) plan and schedule Project Board meetings and finalize the first year annual work plan. The Project Manager will prepare the inception report no later than one month after the inception workshop. The final inception report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board.
105. **GEF Project Implementation Report (PIR):** The Project Manager, the UNDP Country Office, and the UNDP-GEF Regional Technical Advisor will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework are monitored annually in advance of the PIR submission deadline and are reported on accordingly in the PIR. The PIR that is submitted to the GEF each year must also be submitted in English and shared with the Project Board. The UNDP Country Office will coordinate the input of the GEF Operational Focal Point and other stakeholders to the PIR. The project's terminal PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.
106. **Lessons learned and knowledge generation:** Results from the project will be disseminated within and beyond the project intervention area 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 the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

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<sup>41</sup> See guidance here: <https://info.undp.org/global/popp/frm/pages/financial-management-and-execution-modalities.aspx>

107. GEF Focal Area Tracking Tools: In line with its objective and the corresponding GEF Focal Areas/Programs, this project will prepare the following GEF Tracking Tool(s). The baseline/CEO Endorsement GEF Focal Area Tracking Tool(s) – submitted in **Annex** to this project document – will be updated by the Project Manager/UNDP Programme Officer and shared with *the mid-term review consultants* and terminal evaluation consultants before the required *review/evaluation* missions take place. The updated GEF Tracking Tool(s) will be submitted to the GEF along with the completed *Mid-term Review report* and Terminal Evaluation report.
- BD-4 Programme 9: Managing the human-biodiversity interface;
  - LD-3 Programme 4: SLM in wider landscapes (integrated management);
  - SFM 1: Maintained forest resources: Reduce the pressure on high conservation value forests by addressing the drivers of deforestation.
108. Mid-term Review (MTR): An independent mid-term review process will begin after the second PIR has been submitted to the GEF, and the final MTR report will be submitted to the GEF in the same year as the 3<sup>rd</sup> PIR. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project's duration. The terms of reference, the review process and the final MTR report will follow the standard templates and guidance available on the [UNDP Evaluation Resource Center \(ERC\)](#). Additional quality assurance support is available from the UNDP-GEF Directorate. The final MTR report will be available in English and will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and approved by the Project Board.
109. Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place before operational closure of the project. The Project Manager will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance available on the [UNDP Evaluation Resource Center](#). Additional quality assurance support is available from the UNDP-GEF Directorate. The final TE report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board. The TE report will be publically available in English on the UNDP ERC.
110. The UNDP Country Office will include the planned project terminal evaluation in the UNDP Country Office evaluation plan, and will upload the final terminal evaluation report in English and the corresponding management response to the UNDP Evaluation Resource Centre (ERC). Once uploaded to the ERC, the UNDP Independent Evaluation Office will undertake a quality assessment and validate the findings and ratings in the TE report, and rate the quality of the TE report. The UNDP IEO assessment report will be sent to the GEF Independent Evaluation Office along with the project terminal evaluation report.

111. The UNDP Country Office 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 undertaken by the UNDP Independent Evaluation Office and/or the GEF Independent Evaluation Office.

112. Final Report: The project's terminal PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

**Table 8: Mandatory GEF M&E Requirements and M&E Budget:**

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget <sup>42</sup> (US\$)		Time frame
		GEF grant	Co-financing	
<b>Inception Workshop (national-level)</b>	UNDP Country Offices	USD 15,000	None	Within first three months of project start up in country
<b>Inception Report</b>	Project Manager	None	None	Within two weeks of inception workshop
<b>Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP</b>	UNDP Country Office	None	None	Quarterly, annually
<b>Monitoring of indicators in project results framework</b>	Project Managers in each target country	USD 24,000 (Per year: USD 6,000)	USD10,000	Annually
<b>GEF Project Implementation Report (PIR)</b>	Project Manager and UNDP Country Office and UNDP-GEF team	None	None	Annually
<b>NEX Audit as per UNDP audit policies</b>	UNDP Country Office	USD 12,000 (Per year: USD 3,000)	USD1,000	Annually or other frequency as per UNDP Audit policies
<b>Supervision missions</b>	UNDP Country Office	None <sup>43</sup>	USD2,500	Annually
<b>Oversight missions</b>	UNDP-GEF team	None <sup>43</sup>	USD1,500	Troubleshooting as needed
<b>Knowledge management as outlined in Outcome 4</b>	Project Manager	See project budget	USD1,500	On-going
<b>GEF Secretariat learning missions/site visits</b>	Project Manager and UNDP-GEF team	None	None	To be determined.
<b>Mid-term GEF Tracking Tool to be</b>	Project Manager	USD 10,000	None	Before mid-term

<sup>42</sup> Excluding project team staff time, salaries? and UNDP staff time and travel expenses.

<sup>43</sup> The costs of UNDP Country Office and UNDP-GEF's participation and time are charged to the GEF Agency Fee.

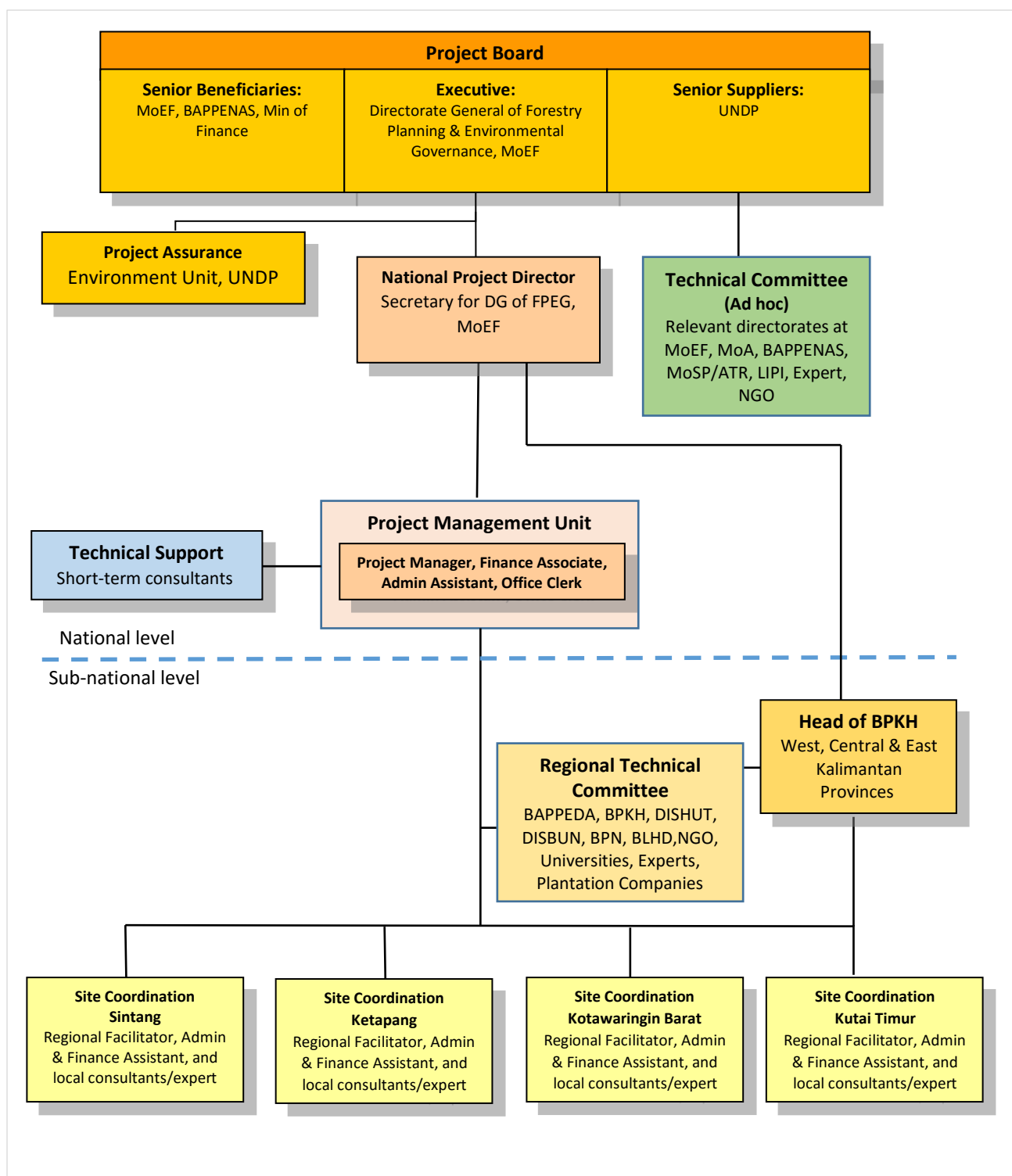
GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget <sup>42</sup> (US\$)		Time frame
		GEF grant	Co-financing	
updated				review mission takes place.
Independent Mid-term Review (MTR)	UNDP Country Office and Project team and UNDP-GEF team	USD 75,000	USD10,000	Between 2 <sup>nd</sup> and 3 <sup>rd</sup> PIR.
Final GEF Tracking Tool to be updated	Project Manager	USD 10,000	None	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) included in UNDP evaluation plan	UNDP Country Office and Project team and UNDP-GEF team	USD 85,000	USD10,000	At least three months before operational closure
Translation of MTR and TE reports into English	UNDP Country Office	USD 5,000	None	As required. GEF will only accept reports in English.
<b>TOTAL indicative COST</b> Excluding project team staff time, and UNDP staff and travel expenses		USD 236,000	USD 36,500	

## VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

113. Roles and responsibilities of the project's governance mechanism: The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Indonesia, and the Country Programme.

114. The **Implementing Partner** for this project is Ministry of Environment and Forestry (MoEF), Directorate General of Forestry Planning and Environmental Governance. 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 UNDP resources.

115. The project organisation structure is as follows:



116. The **National Project Manager (NPM)** will be responsible for all project outputs. The NPM will liaise directly with **Provincial Coordinators**, whose role will be to provide technical support and guidance to provincial, district and landscape-level activities. The NPM will be the point of contact with partners and associated projects with a view to achieving technical synergies. The NPM function will end when the final project terminal evaluation report and corresponding management response, and other documentation required by the GEF and UNDP, has been completed and submitted to UNDP (including operational closure of the project).
117. The **Project Steering Committee (PSC)** will provide strategic guidance to project implementation and will make management decisions, by consensus, when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Steering Committee decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Committee, final decision shall rest with the UNDP Programme Manager. The PSC shall meet at least twice each year. The PSC will comprise the lead representatives from the following institutions:
- Directorate General of Forestry Planning and Environmental Governance, Ministry of Environment and Forestry (MOEF)
  - Directorate of Forestry and Water Conservation, Ministry of National Development Planning (BAPPENAS)
  - Directorate of Loan and Grant, Ministry of Finance (MoF)
  - UNDP Country Office, Indonesia
118. **Project Assurance:** UNDP provides a three-tier oversight and quality assurance role involving UNDP Country Offices, regional and headquarters levels. The project 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 has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the National Project Manager.
119. Several short-term **Technical Advisors**, both national and international, will be contracted to support project implementation by providing specialist expertise for various specific outputs of the project. Areas of expertise include: Political advisor, policy expert, land use/ mapping expert, human / wildlife conflict expert, Deforestation / environment expert, forest fire management expert. Indicative TORs for the main Technical Advisors are found in Annex E.
120. **UNDP** will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of UNDP/GEF funds. UNDP Country Office (CO) will provide Direct Project Services (DPS), according to UNDP DPC policy on DPC specific policy for GEF and AF. DPS costs are those incurred by UNDP for the provision of services that are execution

driven cost, directly related to the delivery of project. They relate to operational and administrative support activities carried out by UNDP such as payment processing, recruitment of project personnel/consultant, procurement of goods and services, organization of training/workshop, travel arrangement, shipment, custom, etc. As determined by the GEF Council, Direct Project Cost associated with DPS should not be charged as percentage. It must be itemized and allocated within PMC budget.

121. Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information: In order to accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy<sup>44</sup> and the GEF policy on public involvement<sup>45</sup>.

## VIII. FINANCIAL PLANNING AND MANAGEMENT

122. The total cost of the project is *USD 59,050,000*. This is financed through a GEF grant of *USD 9,000,000* to be administered by UNDP, *USD 50,000* from UNDP Indonesia and *USD 50,000,000* in parallel co-financing from the Government of Indonesia. UNDP, as the GEF Implementing Agency, is responsible for the execution of the GEF resources and the cash co-financing transferred to UNDP bank account only.

123. Parallel co-financing: The actual realization of project co-financing will be monitored during the *mid-term review* and terminal evaluation process and will be reported to the GEF. The planned parallel co-financing will be used as follows:

Co-financing source	Co-financing type	Co-financing amount	Planned Activities/Outputs	Risks	Risk Mitigation Measures
Directorate General of Forest Planning and Environmental Governance, MoEF	In kind	50,000,000	<p>The co-financing from the Ministry of Environment and Forestry is estimated based on the budget allocation to implement the programme related to:</p> <ul style="list-style-type: none"> <li>• Gazettement and forest area planning</li> <li>• Forest resource inventory and monitoring</li> <li>• Planning and establishment of forest management unit</li> <li>• Spatial analysis of forest cover dynamic in three project sites</li> </ul>	Committed co-financing is proposed according to the mid-term Strategic Plan of the MoEF which will be ended in 2019. There is potentially changing in Government programme and priorities due to changing in the Ministry's	Any revision on the Government's co-financing realization will be reported in the Terminal Evaluation. Further, the project will maintain communication on project progress and make necessary adjustment if it

<sup>44</sup> See [http://www.undp.org/content/undp/en/home/operations/transparency/information\\_disclosurepolicy/](http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/)

<sup>45</sup> See [https://www.thegef.org/gef/policies\\_guidelines](https://www.thegef.org/gef/policies_guidelines)

Co-financing source	Co-financing type	Co-financing amount	Planned Activities/Outputs	Risks	Risk Mitigation Measures
			Co-financing will also be provided to cover office space for PMU, staff inputs to implementation of all project components, use of government equipment, vehicles, facilities, enabling conditions as project baseline, etc.	structure for 2020-2024 period.	was required with the new Government's focal point within the Ministry as well as using mid-term evaluation's finding as reference.
UNDP	Grant	50,000	Coordination among sectors and line ministries, policy advisory, creation best practices and knowledge sharing on sustainable production of oil palm practices, support operationalization of green commodity national platform.	Strengthen coordination and promote regular communication among relevant sectors and key stakeholder at different level would be a challenge to maintain their buy-in on delivering greater project impact/results.	Knowledge products will be provided in regular basis and distribute to targeted stakeholders. It is also useful to hire senior/well-known expert to undertake liaison activities as well as closely working with communication team to increase visibility of the project.

124. Based on the approved Annual Work Plan, UNDP provides the required financial resources to the Implementing Partner to carry out project activities. The transfer of financial resources is done in accordance with the Harmonized Approach to Cash Transfer (HACT) mechanism, which identifies the following four cash transfer modalities:

- Direct Cash Transfers to Implementing Partners, for obligations and expenditures to be made by them in support of activities;
- Direct Payments to vendors and other third parties, for obligations incurred by the Implementing Partners;
- Reimbursement to Implementing Partners for obligations made and expenditure incurred by them in support of activities;



- Direct Agency Implementation through which UNDP makes obligations and incurs expenditure in support of activities (Country Office Support Services – COSS).

125. As agreed between the Implementing Partner and UNDP, the project will apply Direct Agency Implementation Modality. Therefore, UNDP shall also act as the Responsible Party to obtain certain goods and relevant services upon request of the Implementing Partner which will be detailed during project implementation.
126. In providing these services, UNDP will apply its rules and regulations. The Support services and conditions attached to them are described in the Country Office Support Service Agreement in Section IV of this document.
127. With respect to the Government of Indonesia's reporting procedures on grant realization, UNDP shall prepare the Minutes of Handover (Berita Acara Serah Terima – BAST) of Goods and Services to be signed jointly by UNDP and the Implementing Partner's Authorized Budget Owner (Kuasas Pengguna Anggaran - KPA). This will be submitted by the Implementing Partner to the State Treasury Service Office (Kantor Pelayanan Pembendaharaan Negara – KPPN) under the Directorate General of Treasury (Direktorat Jenderal Perbendaharaan) of the Ministry of Finance.
128. The BAST will be prepared upon availability of UNDP Combined Delivery Report (CDR). UNDP will prepare CDR based on the expenditures reports received from the project and recorded in Atlas (the UNDP corporate management system) at the end of the quarter. The CDR is the report that reflects the total expenditures and actual obligations (recorded in Atlas) of a Project during a period (at the end of each year). The CDR constitutes the official report of expenditures and obligations of the project for a given period.
129. For the activities executed by Ministry of Environment and Forestry, it is responsible for managing the project account, and reporting to the Ministry of Finance the utilization/realization of the grants as expenditures according to the relevant government regulations on a regular basis.
130. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the project board will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the Project Board. Should the following deviations occur, the Project Manager and UNDP Country Office will seek the approval of the UNDP-GEF team as these are considered major amendments by the GEF: a) Budget re-allocations among components in the project with amounts involving 10% of the total project grant or more; b) Introduction of new budget items/or components that exceed 5% of original GEF allocation.
131. Any over expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).
132. Refund to Donor: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the UNDP-GEF Unit in New York.

133. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP.<sup>46</sup> On an exceptional basis only, a no-cost extension beyond the initial duration of the project will be sought from in-country UNDP colleagues and then the UNDP-GEF Executive Coordinator.
134. UNDP and Government of Indonesia may decide to extend the duration of the project to take account of delays in implementing certain activities and therefore in producing results or received additional financial resources. Such extensions shall be consulted with the Project Board. Upon approval by the Project Board, the revised project document shall be signed by all the signatories to the original project document or agreed by exchange of letter, subject to UNDP and Government regulations. The request for extension of project document amendment will be consulted with the government at least 2 (two) months before the financial closing date.
135. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.
136. Financial completion: The project will be financially closed when the following conditions have been met: a) The project is operationally completed or has been cancelled; b) The Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).
137. The project will be financially completed within 12 months of operational closure or after the date of cancellation. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the UNDP-GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

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<sup>46</sup> see <https://info.undp.org/global/popp/ppm/Pages/Closing-a-Project.aspx>

Award ID: 00085815  
Project ID: 00093330  
PIMS #: 5029

PIMS #:		5029				Project's Annual Workplan							
Outcome	Implemen-ting Partner	Fund ID	Donor Name	Atlas Budget-ary Account Code	ATLAS Budget Description	AWP 2018 (USD)	AWP 2019 (USD)	AWP 2020 (USD)	AWP 2021 (USD)	AWP 2022 (USD)	AWP 2023 (USD)	AWP 2024(USD)	Total (USD)
OUT-COME 1: Forest Area Planning	MoEF	62000	GEF	71200	International Consultants	15.000,00	30.000,00	30.000,00	30.000,00	15.000,00	-	-	120.000,00
		62000	GEF	71300	Local Consultants	10.000,00	15.000,00	15.000,00	15.000,00	10.000,00	15.000,00	15.000,00	95.000,00
		62000	GEF	71400	Contractual Services individual	35.000,00	150.000,00	150.000,00	117.600,00	100.000,00	42.500,00	95.000,00	690.100,00
		62000	GEF	71600	Travel	20.000,00	50.000,00	50.000,00	50.000,00	20.000,00	15.000,00	15.000,00	220.000,00
		62000	GEF	72100	Contractual Services Companies	10.000,00	68.000,00	68.000,00	68.000,00	10.000,00	19.000,00	18.000,00	261.000,00
		62000	GEF	72600	Grant	10.000,00	75.000,00	-	-	10.000,00	-	-	95.000,00
		62000	GEF	74200	Audio Visual&Print Prod Costs	5.000,00	13.000,00	5.000,00	5.000,00	5.000,00	2.500,00	2.500,00	38.000,00
62000	GEF	75700	Training, Workshops and Confer	60.000,00	55.000,00	57.000,00	57.000,00	60.000,00	15.000,00	15.000,00	319.000,00		
Total Outcome 1						165.000,00	456.000,00	375.000,00	342.600,00	230.000,00	109.000,00	160.500,00	1.838.100,00
OUT-COME 2: Demonstration of Strategies	MoEF	62000	GEF	71200	International Consultants	15.000,00	60.000,00	60.000,00	60.000,00	15.000,00	-	-	210.000,00
		62000	GEF	71300	Local Consultants	20.000,00	22.000,00	22.000,00	22.000,00	20.000,00	22.500,00	22.500,00	151.000,00
		62000	GEF	71400	Contractual Services individual	35.000,00	100.000,00	100.000,00	100.000,00	135.000,00	83.426,00	80.000,00	633.426,00
		62000	GEF	71600	Travel	50.000,00	200.000,00	200.000,00	200.000,00	50.000,00	50.000,00	48.000,00	798.000,00
		62000	GEF	72100	Contractual Services Companies	120.000,00	300.000,00	300.000,00	300.000,00	-	-	-	1.020.000,00
		62000	GEF	72400	Communic&Audio Visual Equipment	-	-	-	-	35.000,00	-	-	35.000,00
		62000	GEF	75700	Training, Workshops and Confer	125.000,00	141.574,00	250.000,00	250.000,00	125.000,00	80.000,00	20.000,00	991.574,00
Total Outcome 2						365.000,00	823.574,00	932.000,00	932.000,00	380.000,00	235.926,00	170.500,00	3.839.000,00
OUTCOME 3 : Incentive Mechanism	MoEF	62000	GEF	71200	International Consultants	30.000,00	30.000,00	-	-	30.000,00	-	-	90.000,00
		62000	GEF	71300	Local Consultants	25.000,00	-						25.000,00
		62000	GEF	71600	Travel	15.000,00	9.000,00	10.000,00	10.000,00	15.000,00	2.500,00	2.500,00	64.000,00
		62000	GEF	72100	Contractual Services Companies	150.000,00	158.000,00	82.000,00	180.000,00	150.000,00	70.000,00	35.000,00	825.000,00
		62000	GEF	72600	Grant	-	200.000,00	200.000,00	200.000,00	-	200.000,00	200.000,00	1.000.000,00
		62000	GEF	75700	Training, Workshops and Confer	35.000,00	-	-	-	30.000,00	-	-	65.000,00
Total Outcome 3						255.000,00	397.000,00	292.000,00	390.000,00	225.000,00	272.500,00	237.500,00	2.069.000,00

Outcome	Implemen-ting Partner	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	AWP 2018 (USD)	AWP 2019 (USD)	AWP 2020 (USD)	AWP 2021 (USD)	AWP 2022 (USD)	AWP 2023 (USD)	AWP 2024(USD)	Total (USD)
OUTCOME 4: Knowledge Management	MEF	62000	GEF	71200	International Consultants	10.000,00	-	17.500,00	17.500,00	10.000,00	22.500,00	-	77.500,00
		62000	GEF	71400	Contractual Services individual	30.000,00							30.000,00
		62000	GEF	71600	Travel	5.000,00	35.000,00	35.000,00	35.000,00	35.000,00	35.000,00	35.000,00	215.000,00
		62000	GEF	72100	Contractual Services Companies	30.000,00	30.000,00	30.000,00	30.000,00	30.000,00	7.500,00	7.500,00	165.000,00
		62000	GEF	72200	Equipment & Furniture	-	-	-	-	-	-	-	-
		62000	GEF	74200	Audio Visual&Print Prod Costs	35.000,00	34.000,00	27.000,00	27.000,00	35.000,00	8.700,00	18.000,00	184.700,00
		62000	GEF	75700	Training, Workshops and Confer	35.000,00	39.000,00	15.000,00	15.000,00	35.000,00	8.700,00	9.000,00	156.700,00
Total Outcome 4						145.000,00	138.000,00	124.500,00	124.500,00	145.000,00	82.400,00	69.500,00	828.900,00
Project Management Costs	MoEF	62000	GEF	71400	Contractual Services individual	30.000,00	25.000,00	25.000,00	25.000,00	10.400,00	30.000,00	30.000,00	175.400,00
		62000	GEF	72200	Equipment & Furniture	6.500,00	23.000,00	1.000,00	1.000,00	6.500,00	500,00	1.000,00	39.500,00
		62000	GEF	72400	Communic&Audio Visual Equipment	5.000,00	3.000,00	1.000,00	1.000,00	5.000,00	500,00	1.000,00	16.500,00
		62000	GEF	72500	Supplies	-	-	-	-	-	-	-	-
		62000	GEF	73100	Rental & Maintenance- Premises	3.000,00	1.800,00	1.500,00	1.500,00	3.000,00	1.300,00	1.500,00	13.600,00
		62000	GEF	74500	Miscellaneous Expenses	-	-	-	-	-	-	-	-
		62000	GEF	74596	Services to Project	25.500,00	29.000,00	25.000,00	25.000,00	25.500,00	25.000,00	25.000,00	180.000,00
Total Outcome PMC						70.000,00	81.800,00	53.500,00	53.500,00	50.400,00	57.300,00	58.500,00	425.000,00
GEF Total						1.000.000,00	1.896.374,00	1.777.000,00	1.842.600,00	1.030.400,00	757.126,00	696.500,00	9.000.000,00

## Budget Note

Component 1			
1	71200	International Consultants	A total of \$120,000 is allocated for an international consultant for 60 days per year during 4 years (@ \$500 per day), for a Senior Platform Advisor, to guide the establishment and operation of provincial platforms and district fora
2	71300	Local Consultants	<p>A total of \$108,000 is allocated local consultants under individual contract modality, consisting of:</p> <ul style="list-style-type: none"> <li>• \$60,000 for hiring a Political Advisor for 12 months (@ \$5,000 per month)</li> <li>• \$24,000 for hiring a Policy Expert for 12 months (@ \$2,000 per month)</li> <li>• \$24,000 for hiring a Land use / Mapping Expert for 12 months (@ 2,000 per month)</li> </ul>
3	71400	Contractual Services - Individual	<p>A total of \$662,016 is allocated for project staffs under service contract modality, comprising of:</p> <ul style="list-style-type: none"> <li>• \$274,866 for hiring a National Project Manager for 7 years (@ \$3,272 per month) implement, oversee, and monitor operation the entire project</li> <li>• \$126,000 for hiring a Communication Officer for 7 years (@ \$1,500 per month) to manage communications strategy, stakeholder engagement, and information database of the project</li> <li>• \$229,299 for hiring a Provincial Admin, each for 3 target provinces, for 7 years (@ \$910 per month) to assist the Provincial Coordinator in managing a range of provincial- and district-level activities</li> <li>• \$31,847 for hiring an Office Clerks / Filing Support for 7 years (@ \$379 per month)</li> </ul>
4	71600	Travel	<p>A total \$295,376 is allocated to cover all travel costs, which include local transport fees, tickets, DSA, and terminal allowances) of meeting/workshop participants and well as project staffs, with the following specifications:</p> <ul style="list-style-type: none"> <li>• \$60,000 to cover the travel costs for the international consultant to Jakarta</li> <li>• \$4,072 to cover the travel costs for a workshop on “the training on satellite data acquisition for relevant MoEF staffs” in Jakarta</li> <li>• \$4,072 to cover the travel costs for a workshop on the “training on data management for relevant MoEF staffs” in Jakarta</li> <li>• \$5,635 to cover the travel costs for a workshop on “GIS training for relevant MoEF staffs (planologi) on mapping skills” in Jakarta</li> <li>• \$15,036 to cover the travel costs for thematic FGDs and public consultations to develop a policy paper outlining strategies to reduce conversion of forest areas, that are protected by regulations, from estate crop concessions</li> <li>• \$31,970 to cover the travel costs for thematic FGDs and public consultations with MoEF, district</li> </ul>

			<p>government representatives, as relevant stakeholders to develop and test siting tool</p> <ul style="list-style-type: none"> <li>• \$17,584 to cover the travel costs for thematic FGDs and public consultations in Jakarta to revise policy and develop a regulation to protect forest areas outside of state forest</li> <li>• \$31,073 to cover the travel costs for public consultations to develop measures to enable plantations to conserve forest area outside state forest</li> <li>• \$14,957 to cover the travel costs for thematic FGDs and public consultations in Jakarta to strengthen implementation process (guidance, information, etc.) for the releasing of Forest Land to APL / HGU</li> <li>• \$5,971 to cover the travel costs associated with a workshop on “GIS mapping support and procedures for demonstrating illegal deforestation occurring within target district” for the relevant MoEF staffs (planologi) in Jakarta</li> <li>• \$22,075 to cover the travel costs for plenary meetings in Jakarta to monitor ongoing developments of concessions</li> <li>• \$ 17,630 to cover the travel costs for thematic FGDs and public consultations with relevant stakeholders on the development of a new regulation to conserve forest within the concession area, in Jakarta</li> <li>• \$ 21,095 to cover the travel costs associated with the establish platforms in Central and East Kalimantan</li> <li>• \$17,357 to cover the travel costs for thematic FGDs and public consultations with relevant stakeholders to develop a policy recommendation to address institutional and economic barriers, including opportunity costs (lost tax revenues and employment etc.) for local governments and spatial planning/land swaps spanning more than one district or province</li> <li>• A total \$135,441 to cover the travel costs associated with the establishment and operation of a multi-province Task Force (engagement in 3 target provinces)</li> <li>• \$21,656 to cover the travel costs associated with finalization and adoption of a multi-province forest safeguarding action plan (at provincial and HoB levels)</li> <li>• \$21,849 to cover the travel costs associated with thematic FGDs and public consultations to develop of a SoP for releasing of Forest Land to APL / HGU</li> </ul>
5	72100	Contractual Services - Companies	<p>A total of \$315,000 is allocated for sub-contracts for the following activities:</p> <ul style="list-style-type: none"> <li>• \$20,000 for the development and finalization of a policy paper outlining strategies to reduce conversion of forest areas, that are protected by regulations, from estate crop concessions</li> <li>• \$20,000 for the development and finalization of a regulation to protect forest areas outside of state forest</li> <li>• \$20,000 for the development and finalization of a policy paper on measures to enable plantations</li> </ul>

			<p>to conserve forest area outside state forest</p> <ul style="list-style-type: none"> <li>• \$ 20,000 for the development and finalization of policy recommendation on the implementation sustainable releasing of Forest Land to APL / HGU</li> <li>• \$25,000 for the development and finalization of an improved regulatory framework to strengthen the ability of plantations to conserve forests within and outside of concession areas by regulation</li> <li>• \$20,000 for the development and finalization of a policy recommendation to address institutional and economic barriers, including opportunity costs (lost tax revenues and employment etc.) for local governments and spatial planning/land swaps spanning more than one district or province.</li> <li>• \$60,000 for the development of maps of forests outside of estate crop</li> <li>• \$35,000 for the identification of conservation priorities based on factors such as carrying capacity and forest ecosystem services, including biodiversity and carbon storage</li> <li>• \$5,000 for the development and finalization of a multi-province forest safeguarding action plan (at provincial and HoB levels)</li> <li>• \$25,000 for the development and finalization of a SoP to strengthen implementation process (guidance, information, etc.) for the releasing of Forest Land to APL / HGU</li> <li>• \$20,000 to develop an awareness-raising needs assessment and strategy</li> </ul>
6	72600	Grant	A total of \$100,000 is allocated for upgrading the relevant data collection of the MoEF in the form of grant
7	74200	Printed and audio-visual material	<p>A total of \$45,572 is for communication activities, including publication, audio-visual material, website development:</p> <ul style="list-style-type: none"> <li>• \$28,576 to communication materials (i.e. website development, photo voices project, exhibition materials, as well as printing and publishing costs)</li> <li>• \$17,000 for targeted campaigns, including efforts focused on relevant Parliamentary commissions and the broader Parliament</li> </ul>
8	75700	Workshops	<p>A total of \$279,162 is allocated to cover non-travel costs of numerous thematic FGDs, public consultations, and training workshops.</p> <ul style="list-style-type: none"> <li>• \$8,508 for a workshop on “the training on satellite data acquisition for relevant MoEF staffs” in Jakarta</li> <li>• \$8,508 for a workshop on the “training on data management for relevant MoEF staffs” in Jakarta</li> <li>• \$14,779 for a workshop on “GIS training for relevant MoEF staffs (planologi) on mapping skills” in Jakarta</li> <li>• \$14,354 for thematic FGDs and public consultations to develop a policy paper outlining strategies to reduce conversion of forest areas, that are protected by regulations, from estate crop concessions</li> </ul>

			<ul style="list-style-type: none"> <li>• \$26,846 for thematic FGDs and public consultations with MoEF, district government representatives, as relevant stakeholders to develop and test siting tool</li> <li>• \$13,808 for thematic FGDs and public consultations in Jakarta to revise policy and develop a regulation to protect forest areas outside of state forest</li> <li>• \$22,277 for public consultations to develop measures to enable plantations to conserve forest area outside state forest</li> <li>• \$14,877 for thematic FGDs and public consultations in Jakarta to strengthen implementation process (guidance, information, etc.) for the releasing of Forest Land to APL / HGU</li> <li>• \$10,328 for a workshop on “GIS mapping support and procedures for demonstrating illegal deforestation occurring within target district” for the relevant MoEF staffs (planologi) in Jakarta</li> <li>• \$15,970 for plenary meetings in Jakarta to monitor ongoing developments of concessions</li> <li>• \$16,630 for thematic FGDs and public consultations with relevant stakeholders on the development of a new regulation to conserve forest within the concession area, in Jakarta</li> <li>• \$11,315 for series of workshops to establish platforms in Central and East Kalimantan</li> <li>• \$ 12,898 to for thematic FGDs and public consultations with relevant stakeholders to develop a policy recommendation to address institutional and economic barriers, including opportunity costs (lost tax revenues and employment etc.) for local governments and spatial planning/land swaps spanning more than one district or province</li> <li>• \$67,163 for series of workshops for the establishment and operation of a multi-province Task Force (engagement in 3 target provinces)</li> <li>• \$12,332 for thematic FGDs and public consultations for the finalization and adoption of a multi-province forest safeguarding action plan (at provincial and HoB levels)</li> <li>• \$12,833 for thematic FGDs and public consultations to develop of a SoP for releasing of Forest Land to APL / HGU</li> </ul>
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## Component 2

9	71200	International Consultants	A total of \$240,000 is allocated for hiring: <ul style="list-style-type: none"> <li>• an international consultant for 115 days per year during 4 years (@ \$500 per day) as a Commodities Senior Advisor;</li> <li>• an international consultant for 20 days (@ \$500 per day) as a Safeguards Advisor</li> </ul>
10	71300	Local Consultants	A total of \$157,500 is allocated local consultants under individual contract modality,



			<p>consisting of:</p> <ul style="list-style-type: none"> <li>• \$52,500 for hiring a Human-Wildlife Conflict Expert for 21 months (@ \$2,500 per month)</li> <li>• \$52,500 for hiring a Deforestation / Environment Expert for 21 months (@ 2,500 per month)</li> <li>• \$52,500 for hiring a Forest Fire Management Expert for 21 months (@ 2,500 per month)</li> </ul>
11	71400	Contractual Services - Individual	<p>A total of \$701,968 is allocated for project staffs under service contract modality, comprising of:</p> <ul style="list-style-type: none"> <li>• \$260,716 for hiring a Finance Associate for 7 years (@ \$3,103.76 per month)</li> <li>• \$315,252 for hiring a Provincial Coordinator for each of 3 target provinces for 7 years (@ \$1,251 per month) to supervise and manage provincial- and district-level activities</li> <li>• \$126,000 for hiring a Project Admin for 7 years to ensure effective project planning, budgeting, and implementation (@ \$1,500 per month)</li> </ul>
12	71600	Travel	<p>A total of \$810,266 is allocated to cover all travel costs, which include local transport fees, tickets, DSA, and terminal allowances) of meeting/workshop participants and well as project staffs, with the following specifications:</p> <ul style="list-style-type: none"> <li>• \$60,000 to cover the travel costs for the international consultant to travel to Jakarta</li> <li>• \$129,237 to cover the travel costs for thematic FGDs and public consultations to develop and finalize a policy paper on regulations for implementation of forest conservation outside the estate crop in 3 target districts</li> <li>• \$21,815 to cover the travel costs associated with trainings for key district staff in 3 target districts on satellite monitoring of new plantation developments within the non-state Forest, or within areas prohibited from new plantation development</li> <li>• \$20,856 to cover the travel costs associated with trainings for investigators and law enforcement officers to build capacity of the selected district governments to implement MoEF's "multi-door approach" to sanctioning offenders</li> <li>• \$128,708 to cover the travel costs associated with thematic FGDs and workshops to support district government of 3 target districts in making siting decisions on forest conservation using siting tool</li> <li>• \$71,588 to cover the travel costs associated with trainings on increased capacity for</li> </ul>

			<p>wildlife management</p> <ul style="list-style-type: none"> <li>• \$20,450 to cover the travel costs associated with trainings on increased capacity for one-map implementation, data management and verification for relevant district officers from 3 target districts</li> <li>• \$23,044 to cover the travel costs associated with the establishment of district land use forum in 3 target districts</li> <li>• \$115,218 to cover the travel costs associated with operation of district land use forum in 3 target districts</li> <li>• \$135,475 to cover the travel costs for thematic FGDs and public consultations to create local agreements (local policy, process, agreement) to conserve forest within concession area within 3 target districts</li> <li>• \$23,180 to cover the travel costs associated with the establishment of community groups in 3 target districts</li> <li>• \$107,370 to cover the travel costs associated with operation of district land use forum in 3 target districts</li> <li>• \$48,078 to cover the travel costs for public consultation workshops in district capital on priority areas as mapped under output 2.4.2</li> <li>• \$130,801 to cover the travel costs for thematic FGDs and public consultations to develop and finalize a forest safeguarding plan (in each of 3 target districts) that focuses on forest conservation, carrying capacity, forest ecosystem services, including biodiversity, and carbon storage</li> </ul>
13	72100	Contractual Services - Companies	<p>A total of \$1,000,000 is allocated for sub-contracts for the following activities:</p> <ul style="list-style-type: none"> <li>• \$60,000 for the formulation and finalization of a policy paper on regulations for implementation of forest conservation outside the estate crop in 3 target districts</li> <li>• \$25,000 to develop the training module on 'multi-door approach' implementation</li> <li>• \$180,000 to conduct smallholder and community plantation mapping in 3 target districts</li> <li>• \$60,000 to develop and finalize policy recommendations on siting decisions on forest conservation using siting tool</li> <li>• \$25,000 to develop the training module on wildlife management</li> <li>• \$60,000 to develop and finalize policy recommendations to create local agreements</li> </ul>

			<p>(local policy, process, agreement) to conserve forest within concession area</p> <ul style="list-style-type: none"> <li>• \$90,000 to map HCV, KEEs, and degraded land for 3 target districts</li> <li>• \$110,000 to develop and finalize the forest safeguarding plan and its SoP</li> <li>• \$180,000 to conduct trainings on forest safeguarding and SoP</li> <li>• \$30,000 to develop a module on forest fire management and how to reduce the chance of forest fires by watershed and canal preparation</li> <li>• \$180,000 to conduct trainings for the communities in 3 districts on forest fire management</li> </ul>
14	75700	Workshops	<p>A total of \$956,574 is allocated to cover non-travel costs of numerous thematic FGDs, public consultations, and training workshops.</p> <ul style="list-style-type: none"> <li>• \$107,420 for thematic FGDs and public consultations to develop and finalize a policy paper on regulations for implementation of forest conservation outside the estate crop in 3 target districts</li> <li>• \$30,641 for trainings for key district staff in 3 target districts on satellite monitoring of new plantation developments within the non-state Forest, or within areas prohibited from new plantation development</li> <li>• \$33,189 for trainings for investigators and law enforcement officers to build capacity of the selected district governments to implement MoEF's "multi-door approach" to sanctioning offenders</li> <li>• \$80,403 for thematic FGDs and workshops to support district government of 3 target districts in making siting decisions on forest conservation using siting tool</li> <li>• \$142,357 for training on increased capacity for wildlife management</li> <li>• \$38,353 for with trainings on increased capacity for one-map implementation, data management and verification for relevant district officers from 3 target districts</li> <li>• \$19,961 for series of workshops to establish of district land use forum in 3 target districts</li> <li>• \$99,807 for series of meetings for district land use forums in 3 target districts</li> <li>• \$126,808 for thematic FGDs and public consultations to create local agreements (local policy, process, agreement) to conserve forest within concession area within 3 target districts</li> <li>• \$21,360 for series of workshops to establish community groups in 3 target districts</li> </ul>

			<ul style="list-style-type: none"> <li>• \$93,608 for operational of district land use forum in 3 target districts</li> <li>• \$41,047 for public consultation workshops in district capital on priority areas as mapped under output 2.4.2</li> <li>• \$121,616 for thematic FGDs and public consultations to develop and finalize a forest safeguarding plan (in each of 3 target districts) that focuses on forest conservation, carrying capacity, forest ecosystem services, including biodiversity, and carbon storage</li> </ul>
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Component 3			
15	71200	International Consultants	<p>A total of \$75,000 is allocated for hiring an international consultant for 60 days per year during Year 1 and 2, and 60 days during Year 3 (@ \$500 per day) for the following activities:</p> <ul style="list-style-type: none"> <li>• Conduct quantitative spatial assessment and modelling of multiple benefits / values (carbon, biodiversity, ecosystem services, etc.) at pilot districts</li> <li>• Conduct quantitative spatial assessment of environmental economic costs of current negative incentive structures, including distributive effects (i.e. impacts on local communities, poverty, etc.) at pilot district level</li> </ul>
16	71600	Travel	<p>A total of \$126,110 is allocated to cover all travel costs, which include local transport fees, tickets, DSA, and terminal allowances) of meeting/workshop participants and well as project staffs, with the following specifications:</p> <ul style="list-style-type: none"> <li>• \$60,000 to cover the travel costs for the international staffs to Jakarta</li> <li>• \$16,527 to cover the travel costs for public consultation workshops in 3 district capitals on quantitative spatial assessment and modelling of multiple benefits / values (carbon, biodiversity, ecosystem services, etc.)</li> <li>• \$16,528 to cover the travel costs associated with public consultation workshops on quantitative spatial assessment of environmental economic costs of current negative incentive structures, including distributive effects (i.e. impacts on local communities, poverty, etc.) in 3 target districts</li> <li>• \$16,527 to cover the travel costs for public consultation workshops in 3 district capital to engage with potential stakeholders to identify and connect available</li> </ul>

			<p>financial resources needed to enable (pilot) positive incentive shifts (subsidies), complementing project-based seed funds</p> <ul style="list-style-type: none"> <li>• \$16,528 to cover the travel costs associated with public consultation workshops in 3 district capital to establish mechanism for delivering positive incentives</li> </ul>
17	72100	Contractual Services - Companies	<p>A total of \$790,000 is allocated for sub-contracts for the following activities:</p> <ul style="list-style-type: none"> <li>• \$100,000 to conduct CBA analysis of specific proposals for shifting incentives using Targeted Scenario Analysis (TSA) methodology</li> <li>• \$650,000 is allocated for technical cooperation in implementing incentive mechanism</li> <li>• \$20,000 to develop detailed proposals for fiscal incentive shifts</li> <li>• \$20,000 to identify and connect available financial resources needed to enable (pilot) positive incentive shifts (subsidies), complementing project-based seed funds</li> </ul>
18	72610	Micro Capital Grants - Credit	<ul style="list-style-type: none"> <li>• A total of \$1,000,000 is allocated for incentive payment for alternative land use. Awarding and use of grant will follow UNDP rules and regulations</li> </ul>
19	75700	Workshops	<p>A total of \$48,372 is allocated to cover non-travel costs of numerous public consultations workshops.</p> <ul style="list-style-type: none"> <li>• \$ 12,093 for public consultation workshops in 3 district capitals on quantitative spatial assessment and modeling of multiple benefits / values (carbon, biodiversity, ecosystem services, etc.)</li> <li>• \$ 12,093 for public consultation workshops on quantitative spatial assessment of environmental economic costs of current negative incentive structures, including distributive effects (i.e. impacts on local communities, poverty, etc.) in 3 target districts</li> <li>• \$ 12,093 for public consultation workshops in 3 district capital to engage with potential stakeholders to identify and connect available financial resources needed to enable (pilot) positive incentive shifts (subsidies), complementing project-based seed funds</li> <li>• \$ 12,093 for public consultation workshops in 3 district capital to establish mechanism for delivering positive incentives</li> </ul>

Component 4			
20	71200	International Consultants	A total of \$40,000 is for hiring international consultants to conduct midterm and terminal evaluations for 80 days (@ \$500 per day)
21	71600	Travel	<p>A total \$204,251 is allocated to cover all travel costs, which include local transport fees, tickets, DSA, and terminal allowances) of meeting/workshop participants and well as project staffs, with the following specifications:</p> <ul style="list-style-type: none"> <li>• \$8,000 to cover the travel costs for the international consultant to travel to Jakarta</li> <li>• \$45,000 to cover the travel costs of 4 persons to attend the IAP's CoP two times (@\$5,625 per person per trip)</li> <li>• \$27,866 to cover the travel costs for workshops to disseminate lessons learned from demo-activities at district level</li> <li>• \$27,866 to cover the travel costs to disseminate the results of thematic studies and other knowledge, awareness and communications materials at district level</li> <li>• \$33,530 to cover the travel costs associated with the implementation of training and capacity building to share knowledge and promote learning and uptake</li> <li>• \$27,866 to cover the travel costs to socialize lessons learned at national and provincial levels</li> <li>• \$34,122 to cover 33 trips of the M&amp;E Officer to conduct M&amp;E (@ approximately \$758 per trip)</li> </ul>
22	72100	Contractual Services - Companies	<p>A total of \$150,000 is allocated for sub-contracts for the following activities:</p> <ul style="list-style-type: none"> <li>• \$40,000 to develop materials for lessons learned at multiple geographic levels from systemic support and demonstration activities</li> <li>• \$40,000 to develop materials for dissemination of thematic studies and other knowledge materials</li> <li>• \$70,000 to develop a module on training and capacity building for knowledge sharing</li> </ul>
23	72200	Equipment & Furniture	\$2,750 is allocated to purchase 5 units of monitoring equipment (tablets) (@ \$550 per unit)
24	74200	Printed and audio-visual material	A total of \$174,017 is allocated for communication activities, including publication, audio-visual material, website development:

			<ul style="list-style-type: none"> <li>• \$50,000 for publications to promote lessons learned at multiple geographic levels (landscape, district, provincial, national) from systemic support and demonstration activities</li> <li>• \$30,000 for publications to promote thematic studies and other knowledge, awareness and communications materials produced and available for dissemination</li> <li>• \$50,000 for communications to promote the implementation of training and capacity building to share knowledge and promote learning and uptake</li> <li>• \$44,017 for communication to promote increased awareness (socialization and dissemination) at national and provincial levels</li> </ul>
25	75700	Workshops	<p>A total of \$173,066 is allocated to cover non-travel costs of several socialization and training workshops.</p> <ul style="list-style-type: none"> <li>• \$43,266 for workshops to disseminate lessons learned at multiple geographic levels from systemic support and demonstration activities</li> <li>• \$43,266 for workshops to disseminate thematic studies and other knowledge</li> <li>• \$43,267 to conduct training and capacity building to share knowledge and promote learning and uptake</li> <li>• \$43,267 for socialization to increased awareness at national and provincial levels</li> </ul>

Project Management			
26	71400	Contractual Services - Individual	A total of \$194,120 is allocated for hiring a Monitoring and Evaluation Officer under service contract modality for 7 years (@ approximately \$2,311 per month)
27	72200	Equipment and Furniture	<p>A total \$17,821 is allocated for the following expenditures:</p> <ul style="list-style-type: none"> <li>• \$11,374 to purchase 10 units of office laptops (@ \$1,137 per unit)</li> <li>• \$759 to purchase 2 units of office printers (@ \$ 379 per unit)</li> <li>• \$5,688 for office renovation</li> </ul>
28	72500	Supplies	A total \$12,739 is allocated for office stationaries
29	73100	Rental & Maintenance-Premises	A total of \$13,951 is allocated to pay for electricity, telephone and a project car

30	74500	Miscellaneous Expenses	A total of \$6,369 is allocated for miscellaneous spending
31	74599	Direct Project Cost	A total of US\$ 180,000. Initial requests for UNDP support services have been drafted with itemized services and associated unit costs per UPL. Refer to LOA/ COSS.



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## **IX. LEGAL CONTEXT**

138. The project document shall be the instrument envisaged and defined in the [Supplemental Provisions](#) to the Project Document, attached hereto and forming an integral part hereof, as “the Project Document”.
139. This project will be implemented by Ministry of Environment and Forestry (Directorate General of Law Enforcement on Environment and Forestry) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## **X. ANNEXES**

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## Annex A: Multi-year Workplan (To be completed prior to project signature)

Outcome	Output	Activity / Task	Responsible Party	Y1		Y2		Y3		Y4		Y5		Y6		Y7		Y8	
				1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2
1. Forest ecosystem services, including carbon and biodiversity aspects, are more fully taken into account in policies, decisions, and management actions at national and provincial (West, Central and East Kalimantan) levels	1.1 Improved <b>policy framework</b> and <b>capacities</b> , particularly of the Directorate of Planologi within the Ministry of Environment and Forests (MoEF), along with the National Planning Authority and the National Land Board, to align national forest planning to Government environmental and biodiversity protection strategies by better protecting remaining forest within land released from (or subject to release from) the estate crop	1.1.1 Strengthen data management systems, mapping and associated capacities related to APL, HPK and conversion forests																	
		1.1.2 Improve estate crop concession granting process and associated land use regulations																	
		1.1.3 Develop policies, regulations and licensing systems for land use and forest conservation																	
		1.1.4 Improve systems related to compliance monitoring and enforcement of estate crop development, including mapping and spatial analysis																	
		1.1.5 Review and revise regulations governing the ability of plantations to conserve forests within and outside of concession areas																	
	1.2 Establishment and operation of <b>provincial forest and estate crops platforms</b> covering West, Central and East Kalimantan <sup>47</sup> and a <b>multi-province Task Force</b> covering the Heart of Borneo	1.2.1 Establish and operate multi-sector forest and estate crop dialogue platforms in West, Central and East Kalimantan																	
		1.2.2 Development of policy and regulatory reviews and proposals for change, along with provincial action plans (see Output 1.3)																	
		1.2.3 Operation of a multi-province Task Force to harmonize provincial plans to enhance overall HoB-level resilience																	
	1.3 Forest safeguarding strategies and action plans	1.3.1 Updated maps of forests inside and especially outside of the estate cropestate crop																	

<sup>47</sup> The West Kalimantan platform will be shared with, and co-funded by, the UNDP-GEF Commodities IAP project.





[illegible]



## Annex B: Monitoring Plan (To be completed prior to project signature)

The Project Manager will collect results data according to the following monitoring plan.

**Guidance to project developer:** The data for most indicators should be readily available from existing and credible national or international sources. It should be feasible and affordable to gather the data for the indicators on an annual basis.

Monitoring	Indicators	Description	Data source/Collection Methods	Frequency	Responsible for data collection	Means of verification	Assumptions and Risks
Project objective from the results framework	<b>Indicator 1</b>	<i>Describe the indicator</i>	<i>List the source of the data or explain how the data will be collected and which methodology will be used (e.g. GEF GHG measurement methodology).</i>	Annually  Reported in DO tab of the GEF PIR	<i>For example, National Office of Statistics; UNDP Country Office; Project consultant</i>	<i>Consultant report  National statistics report</i>	<i>List assumptions and risks to collecting the project objective data</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
Project Outcome 1	<b>Indicator 1</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>List assumptions and risks to collecting the project outcome data</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
Project Outcome 2	<b>Indicator 1</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
Project Outcome 3	<b>Indicator 1</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>



Monitoring	Indicators	Description	Data source/Collection Methods	Frequency	Responsible for data collection	Means of verification	Assumptions and Risks
Project objective from the results framework	<b>Indicator 1</b>	<i>Describe the indicator</i>	<i>List the source of the data or explain how the data will be collected and which methodology will be used (e.g. GEF GHG measurement methodology).</i>	Annually  Reported in DO tab of the GEF PIR	<i>For example, National Office of Statistics; UNDP Country Office; Project consultant</i>	<i>Consultant report  National statistics report</i>	<i>List assumptions and risks to collecting the project objective data</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
Project Outcome 1	<b>Indicator 1</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>List assumptions and risks to collecting the project outcome data</i>
Project Outcome 4	<b>Indicator 1</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 2</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
	<b>Indicator 3</b>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>	<i>As above</i>
<b>Mid-term GEF Tracking Tool (if FSP project only)</b>	N/A	N/A	Standard GEF Tracking Tool available at <a href="http://www.thegef.org">www.thegef.org</a> Baseline GEF Tracking Tool included in Annex.	After 2 <sup>nd</sup> PIR submitted to GEF	<i>For example, national university; project consultant but not evaluator</i>	Completed GEF Tracking Tool	<i>List assumptions and risks to collecting the GEF TT data</i>
<b>Terminal GEF Tracking Tool</b>	N/A	N/A	Standard GEF Tracking Tool available at <a href="http://www.thegef.org">www.thegef.org</a> Baseline GEF Tracking Tool included in Annex.	After final PIR submitted to GEF	<i>For example, national university; project consultant but not evaluator</i>	Completed GEF Tracking Tool	<i>List assumptions and risks to collecting the GEF TT data</i>
<b>Mid-term Review (if FSP project only)</b>	N/A	N/A	To be outlined in MTR inception report	Submitted to GEF same year as 3 <sup>rd</sup> PIR	<i>Independent evaluator</i>	Completed MTR	
<b>Environmental and Social risks and management plans, as relevant.</b>	N/A	N/A	Updated SESP and management plans	Annually	Project Manager UNDP CO	Updated SESP	

## Annex C: Evaluation Plan

Evaluation Title	Planned start date Month/year	Planned end date Month/year	Included in the Country Office Evaluation Plan	Budget for consultants	Other budget (i.e. travel, site visits etc...)	Budget for translation
<b>Mid-term evaluation</b>	Two years after beginning of implementation	To be submitted to GEF within three months of start	Yes/No	US\$40,000 (international consultants under global support budget) US\$20,000 per country (local consultants)	US\$5,000 (US\$2,500 per country)	US\$5,000 (US\$2,500 per country)
<b>Terminal Evaluation</b>	Three months before operation closure	To be submitted to GEF within three months of operational closure	Yes/No	US\$60,000 (international consultants under global support budget) US\$30,000 per country (local consultants)	US\$5,000 (US\$2,500 per country)	US\$5,000 (US\$2,500 per country)
<b>Total evaluation budget</b>				US\$170,000		

## Annex D: Terms of Reference

Position	PIC	Tasks
<b>SERVICE CONTRACT MODALITY</b>		
SC/1 – National Project Manager		<ol style="list-style-type: none"> <li>1. Implement, oversee, and monitor daily project activities.</li> <li>2. Report to beneficiaries and executive agencies of the project.</li> <li>3. Report to UNDP Country Office and donor(s) on activity progress.</li> <li>4. Coordinate with, and oversee the Provincial Coordinators.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/2 – M&E Officer		<ol style="list-style-type: none"> <li>1. Ensure the implementation of monitoring and reporting policies and strategies.</li> <li>2. Provide regular update and input in monitoring of project activities to assess overall project implementation with respect to project objectives, outputs and indicators.</li> <li>3. Provide effective troubleshooting and suggestion for corrective measures to be undertaken, as well as provide technical arrangements for implementing partners based on monitoring results, where necessary.</li> <li>4. Ensure timely reporting arrangements to guarantee that the reporting requirements are met in a timely manner.</li> <li>5. Ensure effective support to the implementation of evaluation plan.</li> <li>6. Provide guidance to implementing partner(s) and serve as focal point for M&amp;E in line with UNDP evaluation policies, procedures and practices.</li> <li>7. Provide input for the National Project Manager on the needs for evaluation based on the donor agreements.</li> <li>8. Conduct analysis based on data collection for the evaluation process as necessary and requested by independent evaluators.</li> <li>9. Coordinate with the project team, project board and the stakeholders to ensure smooth conduct of the evaluation.</li> <li>10. Provide high quality of data and strategic inputs for improving the existing M&amp;E systems.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/3 – Finance Associate		<ol style="list-style-type: none"> <li>1. Provide effective budgetary and other finance-related assistance to the management team.</li> <li>2. Provide effective support to the National Project Manager in putting together background information to assist the drafting of project documents, work plans, budgets, proposals, etc.</li> <li>3. Provide financial management support for regular project assurance monitoring (IPAR)</li> <li>4. Play an active role in identifying project operational and financial problems, as well as in providing solutions.</li> <li>5. Structure documentation of all information and communication with donors related to financial, budget, and relevant work plans.</li> <li>6. Properly manage and administer budgets, and regularly monitor the resource mobilization within the assigned cluster, and conduct regular</li> </ol>

Position	PIC	Tasks
		<p>financial monitoring/spot check exercise on implementing partner and or responsible party.</p> <ol style="list-style-type: none"> <li>7. Prepare timely reviews of contribution agreement, and accurate account to record contribution.</li> <li>8. Prepare financial reports for donors in accordance with donor's requirements and reporting schedule.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/4 – Project Admin		<ol style="list-style-type: none"> <li>1. Support the project team to ensure effective project planning, budgeting and implementation.</li> <li>2. Support the effective reporting on progress of project implementation.</li> <li>3. Provide administrative support to the management team.</li> <li>4. Support strategic partnerships and the implementation of resource mobilization.</li> <li>5. Supports knowledge building and knowledge sharing.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/5 – Communication Officer		<ol style="list-style-type: none"> <li>1. Oversee all project communications activities.</li> <li>2. Develop and monitor communications strategies for the project.</li> <li>3. Manage communications risks and develop crisis communications plans for all projects.</li> <li>4. Leverage project activities internationally via the media and key communication campaigns, as well as coordinate with global UN agencies among others.</li> <li>5. Manage development of all project publications and digital media products including video and photography production.</li> <li>6. Manage international donor and industry stakeholder engagement.</li> <li>7. Support the project team with communications / media training, and advise on public presentations.</li> <li>8. Design and develop key communications events / support project events with communications.</li> <li>9. Manage procurement / TOR requirements for communications related activities, and support strategies to mobilize funding when possible.</li> <li>10. Assist the development of materials for lessons learned at multiple geographic levels from systemic support and demonstration activities</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/6 – West Kalimantan Provincial Coordinator		<ol style="list-style-type: none"> <li>1. Implement, oversee, and monitor operation of provincial level- and landscape-level work-streams.</li> <li>2. Coordinate with, and report to National Project Manager on activity progress.</li> <li>3. Coordinate with East Kalimantan and Central Kalimantan Provincial Coordinators on relevant activities.</li> <li>4. Supervise the West Kalimantan Provincial Admin.</li> </ol>

Position	PIC	Tasks
		Contract period: September 2017 – September 2024
SC/7 – East Kalimantan Provincial Coordinator		<ol style="list-style-type: none"> <li>1. Implement, oversee, and monitor operation of provincial level- and landscape-level work-streams.</li> <li>2. Coordinate with, and report to National Project Manager on activity progress.</li> <li>3. Coordinate with West Kalimantan and Central Kalimantan Provincial Coordinators on relevant activities.</li> <li>4. Supervise the East Kalimantan Provincial Admin</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/8 – Central Kalimantan Provincial Coordinator		<ol style="list-style-type: none"> <li>1. Implement, oversee, and monitor operation of provincial level- and landscape-level work-streams.</li> <li>2. Coordinate with, and report to National Project Manager on activity progress.</li> <li>3. Coordinate with West Kalimantan and East Kalimantan Provincial Coordinators on relevant activities.</li> <li>4. Supervise the Central Kalimantan Provincial Admin</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/9 – West Kalimantan Provincial Admin		<ol style="list-style-type: none"> <li>1. Assist the West Kalimantan Provincial Coordinator in implementing, overseeing, and monitoring operation of provincial level- and landscape-level work-streams.</li> <li>2. Coordinate with the Finance Associate regarding budget-related necessities in running provincial level- and landscape-level activities.</li> <li>3. Coordinate with the Project Admin regarding administrative-related necessities in running provincial-level and landscape-level activities.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/10 – East Kalimantan Provincial Admin		<ol style="list-style-type: none"> <li>1. Assist the East Kalimantan Provincial Coordinator in implementing, overseeing, and monitoring operation of provincial level- and landscape-level work-streams.</li> <li>2. Coordinate with the Finance Associate regarding budget-related necessities in running provincial level- and landscape-level activities.</li> <li>3. Coordinate with the Project Admin regarding administrative-related necessities in running provincial-level and landscape-level activities.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
SC/11 – Central Kalimantan		<ol style="list-style-type: none"> <li>1. Assist the Central Kalimantan Provincial Coordinator in implementing, overseeing, and monitoring operation of provincial level- and</li> </ol>

Position	PIC	Tasks
Provincial Admin		<p>landscape-level work-streams.</p> <ol style="list-style-type: none"> <li>2. Coordinate with the Finance Associate regarding budget-related necessities in running provincial level- and landscape-level activities.</li> <li>3. Coordinate with the Project Admin regarding administrative-related necessities in running provincial-level and landscape-level activities.</li> </ol> <p>Contract period: September 2017 – September 2024</p>
<b>INDIVIDUAL CONTRACT MODALITY</b>		
IC/1 – Political Advisor		<ol style="list-style-type: none"> <li>1. Conduct dialogue with relevant governments to ensure full ownership and awareness of project activities.</li> <li>2. Meet various high level officials from the Indonesian governmental structure, and ensure that they are aware of relevant project activities, district-level fora, and where applicable, support the work and direction of the project.</li> <li>3. Liaise and engage relevant government bodies on direction and ultimate output of the project work-streams.</li> <li>4. Lead and facilitate high level advisory events.</li> <li>5. Advise the National Project Director and project management team on strategic issues.</li> <li>6. Report National Project Director, and to some extent, the National Project Manager on advisory activities.</li> </ol> <p>Contract period: On necessity basis</p>
IC/2 – Policy Expert		<ol style="list-style-type: none"> <li>1. Advice and assist the formulation of relevant policy recommendations and papers, related to: <ol style="list-style-type: none"> <li>a. Strategies to reduce conversion of forest areas that are protected by regulations, from estate crop concessions</li> <li>b. A regulation to protect forest areas outside of state forest</li> <li>c. Measures to enable plantations to conserve forest area outside state forest</li> <li>d. Implementation sustainable releasing of Forest Land to APL / HGU</li> <li>e. A regulatory framework to strengthen the ability of plantations to conserve forests within and outside of concession areas by regulation</li> <li>f. Addressing institutional and economic barriers, including opportunity costs (lost tax revenues and employment etc.) for local governments and spatial planning/land swaps</li> <li>g. Siting decisions on forest conservation using siting tool</li> </ol> </li> <li>2. Play a significant role in high level advisory events.</li> </ol> <p>Contract period: On necessity basis</p>
IC/3 – Land Use /		<ol style="list-style-type: none"> <li>1. Play an active role during workshops on: <ol style="list-style-type: none"> <li>a. Training on satellite data acquisition</li> </ol> </li> </ol>

Position	PIC	Tasks
Mapping Expert		<ul style="list-style-type: none"> <li>b. Training on spatial data management</li> <li>c. GIS training for relevant MoEF staffs (planologi) on mapping skills</li> <li>d. GIS mapping support and procedures for demonstrating illegal deforestation occurring within target district</li> <li>e. MoEF's multi-door approach</li> </ul> <ol style="list-style-type: none"> <li>2. Assist the development and pilot testing of Siting Tool</li> <li>3. Assist the development of maps of forests outside of estate crop in target districts</li> </ol> <p>Contract period: On necessity basis</p>
IC/4 – Human – Wildlife Conflict Expert		<ol style="list-style-type: none"> <li>1. Assist the development of a training module on wildlife management</li> <li>2. Assist pilot trainings on wildlife management in target districts</li> </ol> <p>Contract period: On necessity basis</p>
IC/5 – Deforestation / Environment Expert		<ol style="list-style-type: none"> <li>1. Assist the development of relevant policy recommendations and papers related to: <ul style="list-style-type: none"> <li>a. Strategies to reduce conversion of forest areas that are protected by regulations, from estate crop concessions</li> <li>b. A regulation to protect forest areas outside of state forest</li> <li>c. Measures to enable plantations to conserve forest area outside state forest</li> <li>d. Implementation sustainable releasing of Forest Land to APL / HGU</li> <li>e. A regulatory framework to strengthen the ability of plantations to conserve forests within and outside of concession areas by regulation</li> <li>f. Addressing institutional and economic barriers, including opportunity costs (lost tax revenues and employment etc.) for local governments and spatial planning/land swaps</li> <li>g. Siting decisions on forest conservation using siting tool</li> </ul> </li> <li>2. Review the report on the identification of conservation priorities</li> <li>3. Assist the development and finalization of a multi-province forest safeguarding action plan</li> </ol> <p>Contract period: On necessity basis</p>
IC/6 – Forest Fire Management Expert		<ol style="list-style-type: none"> <li>1. Assist the development and finalization of a module on forest fire management</li> <li>2. Provide advice on strategies to reduce the chance of forest fires by watershed and canal preparation</li> <li>3. Assist pilot trainings communities in 3 target districts on forest fire management</li> </ol> <p>Contract period:</p>

Position	PIC	Tasks
		On necessity basis
IC/7 – International Consultant: Platforms senior advisor		<ol style="list-style-type: none"> <li>1. Provide global technical support related to establishment and operation of sub-national commodity platforms</li> <li>2. Support the development of multi-stakeholder national action plans for long-term commodity sustainability and reduced deforestation</li> <li>3. Help to influence and harmonise government policies that ensure a strong and coherent legal framework for reduced-deforestation commodity production</li> <li>4. Establish partnerships and coordinate actions that forward commodity sustainability</li> <li>5. Provide guidance on, and deliver, training of platform staff</li> <li>6. Review platform best practice guidelines and recommended actions/fixes in light of project experience</li> <li>7. Review and support enhancement of Platform materials</li> </ol>
IC/8 – International Consultant: Commodities Senior Advisor		<p>Provide technical support on the following:</p> <ol style="list-style-type: none"> <li>1. the establishment and operationalization of the district level palm oil platform and implementation of action plans;</li> <li>2. improvement in ecological design and management of palm oil estates;</li> <li>3. mainstreaming of biodiversity conservation actions within oil palm estate operations;</li> <li>4. investment in conservation and livelihood strengthening;</li> <li>5. development of company social and environmental safeguards; and</li> <li>6. estate development on degraded areas.</li> </ol>
IC/9 – International Consultant: Environmental economics and financial incentives		<p>Provide technical support on the following:</p> <ol style="list-style-type: none"> <li>1. development of incentive mechanism</li> <li>2. implementation of incentive mechanism in target landscapes</li> </ol>
IC/10 – International consultant: safeguards advisor		<ol style="list-style-type: none"> <li>1. Ensure that appropriate safeguards are in place to govern the project's landscape-level activities, especially with respect to any site level social conflict and land tenure issues</li> </ol>
IC/11 – Midterm & Terminal Evaluations Consultant		<ol style="list-style-type: none"> <li>1. Conduct project mid-term review and project terminal / end project evaluation.</li> <li>2. Field visit to evaluate the completion of national, provincial and landscape activities, as well as obtain feedback from beneficiaries.</li> <li>3. Develop the project terminal evaluation report.</li> <li>4. Conduct consultations with the project management team.</li> </ol> <p>Contract period: On necessity basis</p>



## Annex E: UNDP Social and Environmental and Social Screening Template (SESP)

### Project Information

<b>Project Information</b>	
<b>1. Project Title</b>	Strengthening forest area planning and management in Kalimantan
<b>2. Project Number</b>	6965
<b>3. Location (Global/Region/Country)</b>	Indonesia

### Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
<p><b>Briefly describe in the space below how the Project mainstreams the human-rights based approach</b></p> <p>Project oversight is provided by UNDP Country Office-Indonesia, which is responsible to ensure that UNDP's global policies for the application of human rights based approaches are integrated into its projects and programmes, including considerations with regard to gender equality and the engagement and protection of the rights of indigenous and local peoples. UNDP Indonesia will therefore ensure that the procedures followed during project implementation adhere to these UNDP global policies, as well as Indonesia's government requirements. To this end, during project preparation all key stakeholders at national, and sub-national levels were consulted appropriately. Opportunity will be given to key stakeholders to comment on project design and plan. Verbal agreement of sub-national government has been obtained and that of local communities will be obtained for work in target landscapes (following their selection). Specific concerns regarding gender equality and the access of ILCs to natural resources and appropriate land uses were identified in the risk assessment and mitigation measures included to address any issues arising. The project M&amp;E system, including demonstration project management committees and the project steering committee, will provide oversight for project implementation, including decisions required on any human rights issues arising from project implementation.</p>
<p><b>Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment</b></p> <p>The project includes gender-disaggregated indicators on learning on gender mainstreaming and representation or level of learning by women in training and capacity building efforts. The project will also involve the woman participation in every stage.</p>
<p><b>Briefly describe in the space below how the Project mainstreams environmental sustainability</b></p> <p>The development challenge targeted by the present project involves the need for Indonesia to define, plan for and create a better balance between the development and management of major estate crops such as oil palm, rubber and coffee and the need for improved forest protection. The project thus focuses on creating more effective land allocations and uses in terms of estate crop development and management of remaining forest areas in Kalimantan.</p>

## Part B. Identifying and Managing Social and Environmental Risks

<b>QUESTION 2: What are the Potential Social and Environmental Risks?</b> <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i>	<b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b> <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			<b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b>
<b>Risk Description</b>	<b>Impact and Probability (1-5)</b>	<b>Significance (Low, Moderate, High)</b>	<b>Comments</b>	<b>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</b>
Risk 1: human rights concerns regarding the Project during the stakeholder engagement process	I = 2 P = 2	Low		
Risk 2: violence to project-affected communities and individuals	I = 2 P = 2	Low		
Risk 3: involve harvesting of natural forests, plantation development, or reforestation	I = 3 P = 2	Moderate		Follow the Indonesia environmental standard
Risk 4: extraction, diversion or containment of surface or ground water	I = 3 P = 2	Moderate		Follow the Indonesia environmental standard
Risk 5: generate potential adverse transboundary or global environmental concern	I = 3 P = 2	Moderate		Follow the Indonesia environmental standard
Risk 6: secondary or consequential development activities which could lead to adverse social and environmental effects	I = 2 P = 2	Low		
Risk 7: possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources	I = 3 P = 3	Moderate		Follow the land classification by National Land Agency (BPN)

Risk 8: potentially result in the generation of waste (both hazardous and non-hazardous)	I = 2 P = 2	Low		
Risk 9: potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials	I = 2 P = 2	Low		
Risk 10: Project involve the application of pesticides that may have a negative effect on the environment or human health	I = 3 P = 3	Moderate		Follow the best practice and standard use the Pesticides released by Ministry of Agriculture
	<b>QUESTION 4: What is the overall Project risk categorization?</b>			
	Select one (see <a href="#">SESP</a> for guidance)			Comments
	Low Risk	<input type="checkbox"/>		
	Moderate Risk	<input checked="" type="checkbox"/>		
	High Risk	<input type="checkbox"/>		
	<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b>			
	Check all that apply			Comments
	Principle 1: Human Rights	<input type="checkbox"/>		
	Principle 2: Gender Equality and Women's Empowerment	<input type="checkbox"/>		
	1. Biodiversity Conservation and Natural Resource Management	<input checked="" type="checkbox"/>		
	2. Climate Change Mitigation and Adaptation	<input type="checkbox"/>		
	3. Community Health, Safety and Working Conditions	<input type="checkbox"/>		
	4. Cultural Heritage	<input type="checkbox"/>		
	5. Displacement and Resettlement	<input checked="" type="checkbox"/>		
	6. Indigenous Peoples	<input type="checkbox"/>		
	7. Pollution Prevention and Resource Efficiency	<input checked="" type="checkbox"/>		

## Final Sign Off

<i><b>Signature</b></i>	<i><b>Date</b></i>	<i><b>Description</b></i>
Iwan Kurniawan	December 1, 2016	UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

## SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
Principles 1: Human Rights		Answer (Yes/No)
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>48</sup>	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	Yes
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	Yes
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?  <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	No

<sup>48</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	<i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	Yes
1.4	Would Project activities pose risks to endangered species?	Yes
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	Yes
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	Yes
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	Yes
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?  <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	Yes
<b>Standard 2: Climate Change Mitigation and Adaptation</b>		
2.1	Will the proposed Project result in significant <sup>49</sup> greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?  <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
<b>Standard 3: Community Health, Safety and Working Conditions</b>		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No

<sup>49</sup> In regards to CO<sub>2</sub>, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
<b>Standard 4: Cultural Heritage</b>		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
<b>Standard 5: Displacement and Resettlement</b>		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? <sup>50</sup>	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	Yes
<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially</i>	No

<sup>50</sup> Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

	<i>severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?  <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No



## **Annex F: UNDP Project Quality Assurance Report**

## **Annex G: UNDP Risk Log**

## **Annex H: Results of the Capacity Assessment of the Project Implementing Partner and HACT Micro Assessment**

## Annex I: District / landscape-level background and activity overview

Provinces / Districts	Background / baseline	Overview of district and landscape-level activities	Financial incentives focus
West Kalimantan: Ketapang and Sintang districts	<p>Planned estate crop expansion that could affect 1.4M ha of forest and 1M ha of peat. Already significant plantation development across the province. West Kalimantan has companies, NGOs and district governments that are aware of oil palm certification.</p> <p>Ketapang district has extensive peat and forest at risk, a high deforestation rate, a high concentration of progressive supply chain actors, and a district regulation to protect High Conservation Value (HCV) set-asides. The district also has plantations with HCV set asides, and oil palm linked CSO initiatives and NGOs.</p> <p>In Ketapang, Flora and Fauna International (FFI) combines site-based conservation activities with: (a) palm oil company collaboration and (b) district government engagement to improve forest governance and reduce palm oil impacts in the target landscape. The program builds upon FFI's nearly 10 years of project based conservation initiatives in Ketapang, with the intention to scale up and where necessary formalize multi-stakeholder modes of collaboration, especially between public and private sector actors.</p>	<ul style="list-style-type: none"> <li>For both Ketapang and Sintang, maintain connectivity of forest land within APL or production forest with the Estate crop, to ensure protection and linkages with existing national parks, game reserves, orangutan and KEE areas.</li> <li>Engage with private sector / plantations, including linking with existing RSPO-certified companies in Ketapang that have HCV lands within their concessions, while simultaneously working with the national and district governments to help conserve and connect these areas via a landscape approach (as per the current work being undertaken by the InPOP/ MOA/ UNDP work on HCV and protected areas within concessions work).</li> <li>Tie this work into the Environmental Management and Monitoring Working Group (WG 2) of the Indonesia Palm Oil Platform (InPOP). Some of the relevant regulations are: Essential Ecosystem Area (KEE) in the Government Regulation No. 28/2011 regarding Natural Reserve Area and Nature Conservation Areas Management; Internal Letter of the Minister of Agrarian-Land Use/National Land Agency (ATR/BPN) No. 10/SE/VII/2015 regarding High Conservation Value Forest/Area (HCV) in the issuance of permits (HGU); and forestry ministerial decrees regarding the release of Production Forest Conversion in which is contained the company (HGU owner) should develop plantation landscape with regard high conservation value forest, wildlife corridors and maintaining protected areas consistent with legislation</li> <li>Support the Ketapang district government via component one, two and three with the implementation of the district regulation on conservation.</li> <li>Build transparent, robust, accepted systems of forest, peat, fires and license monitoring with KLHK. This will support</li> </ul>	<ul style="list-style-type: none"> <li>Secure funding and promote incentives to cover opportunity and management costs for 'convertible' forests and peat lands allocated instead to protection</li> <li>Design a payment for performance incentive scheme to reward both company and community-based forest conservation</li> <li>Support increased access to markets for green products based on sustainable use of biodiversity and ecosystems (ecotourism)</li> <li>Work in conjunction with the national InPOP platform and the national government to development payments at the national level in the form of DAK (Special Allocation Fund) that can be used with grants and other direct payments to companies or smaller producers to cover specific costs, payments or to cover a portion of costs incurred when producing biodiversity-friendly products under ISPO.</li> </ul>

Provinces / Districts	Background / baseline	Overview of district and landscape-level activities	Financial incentives focus
		<p>the Estate crop boundary being rationalized, the district spatial plan finalized (depending on final district site selection), and degraded land becoming available for development.</p> <ul style="list-style-type: none"> <li>• Reconcile Forest Land boundaries with actual forest cover</li> <li>• Develop multi-stakeholder platforms at the province level to ensure collaborative decision making with forest land protection</li> <li>• Accelerate implementation of decentralized landscape forest management models under the FMU (KPH) system in either Ketapang or Sintang.</li> </ul>	
<p><u>Central Kalimantan:</u> East Kotarwaringan</p>	<p>Central Kalimantan has the 2nd largest area (after Papua) of remaining forest of any province in Indonesia (9.7M ha); it also has the 3rd largest area of peat (3.7M ha), more than half of which remains forested (1.9M ha) and the 2<sup>nd</sup> largest area of planted oil palm (1.3M ha). Over 400,000 ha in central Kalimantan is zoned for conversion and potentially at risk.</p> <p>Over 5M ha of land classified as state Forest Land is actually deforested, signaling <u>potential for revised spatial planning to support more sustainable land use</u>. This would be the focus of the project here.</p> <p>In terms of districts, east Kotarwaringan and Seruyan are the largest producers of oil palm in the province, with 730,000 ha in combined area. These districts host 24-29 'progressive' mills, far more than any other districts in the province, with vast areas of remaining forest (&gt;1.6M</p>	<ul style="list-style-type: none"> <li>• Work with KLHK to build transparent, robust, accepted systems of forest, peat, fire and license monitoring</li> <li>• Develop a multi-stakeholder Forum, linked to the provincial-level platform, to ensure collaborative decision making with forest land protection</li> <li>• Support implementation of the Joint Ministerial Regulation No.79 on Procedures for Settling Land Tenure in the Forest Land, by forming IP4T teams to register claims, map land parcels, process land claims and issue decisions where there is development inside the forest Land</li> <li>• Support for rationalization of the Estate crop boundary, finalization of the district spatial plan (<u>depending on final district site selection</u>), and making degraded land available for development, including reconciling Forest Land boundaries with actual forest cover</li> </ul>	<ul style="list-style-type: none"> <li>• Securing funding and promote incentives to cover opportunity and management costs for 'convertible' forests and peat lands allocated instead to protection</li> <li>• Design a payment for performance incentive scheme to reward both company and community based forest conservation</li> <li>• Increase access to markets for green products based on sustainable use of biodiversity and ecosystems (ecotourism)</li> <li>• Work in conjunction with the national InPOP platform and the national government to developments payments at the national level in the form of DAK (Special Allocation Fund) that can be used with strategic use of grants and other direct payments to be transferred to companies or smaller producers to cover specific costs, payments or to cover a portion of costs incurred when producing biodiversity friendly products under ISPO.</li> </ul>

Provinces / Districts	Background / baseline	Overview of district and landscape-level activities	Financial incentives focus
	<p>ha) and peat (1.1M ha), some of which is zoned for conversion. Together, these districts have more than 1.8M ha of deforested land zoned as state forest unavailable for agriculture.</p> <p>The combination of established industries with large areas of remaining forest and peat, much of it at risk, makes these districts important in the battle against unplanned deforestation. In terms of project intervention, given the Jurisdictional Approach work being done in the adjacent district of Seruyan, the project East Kotarwaringan could learn from the efforts that are slowly starting there.</p>		
<p><u>East Kalimantan:</u></p> <p><u>Paser</u></p> <p><u>East Kutai</u></p>	<p>East Kalimantan has more than 7.5M ha of forest and 600,000 ha of peat, and large areas of forest (1.2M ha). However most natural peat lands (420,000 ha) are zoned for conversion.</p> <p>In this province, NGO and donor involvement has helped build provincial capacity, including an NGO community focused on sustainable land use, land rights and engagement with private sector. The Governor is relatively progressive, open to engagement on sustainability issues, and will remain in office until the end of 2018.</p> <p>Both nominated potential districts have large amounts of forested land</p>	<ul style="list-style-type: none"> <li>• Work with KLHK to build transparent, robust, accepted systems of forest, peat, fire and license monitoring</li> <li>• Develop a multi-stakeholder Forum, linked to the provincial-level platform, to ensure collaborative decision making with forest land protection</li> <li>• Support implementation of the Joint Ministerial Regulation No.79 on Procedures for Settling Land Tenure in the Forest Land, by forming IP4T teams to register claims, map land parcels, process land claims and issue decisions where there is development inside the forest Land</li> <li>• Accelerate implementation of decentralized landscape forest management models under the FMU (KPH) system in either Paser or east Kutai</li> <li>• Less direct PS plantation engagement as the province is less developed as a oil palm jurisdiction compared to west Kalimantan.</li> <li>• Focus more on the points directly above, which address</li> </ul>	<ul style="list-style-type: none"> <li>• Secure funding and incentives to cover opportunity and management costs for 'convertible' forests and peat lands allocated instead to protection</li> <li>• Design a payment for performance incentive scheme to reward both company and community based forest conservation</li> <li>• Working with the provincial and national government on Biodiversity offsets for estate crop expansion, which are instruments used to allow some continued project development, within an overall objective of no net loss of biodiversity.</li> <li>• Increase access to markets for green products based on sustainable use of biodiversity and ecosystems (ecotourism)</li> <li>• Increase access to markets for green</li> </ul>

Provinces / Districts	Background / baseline	Overview of district and landscape-level activities	Financial incentives focus
	and forested land under potential for conversion.	<p>better forest management</p> <ul style="list-style-type: none"> <li>• Reconcile Forest Land boundaries with actual forest cover</li> </ul>	<p>products based on sustainable use of biodiversity and ecosystems (ecotourism)</p> <ul style="list-style-type: none"> <li>• Work in conjunction with the national InPOP platform and the national government to developments payments at the national level in the form of DAK (Special Allocation Fund) that can be used with strategic use of grants and other direct payments to be transferred to companies or smaller producers to cover specific costs, payments or to cover a portion of costs incurred when producing biodiversity friendly products under ISPO.</li> </ul>

## Annex J: Maps

**Map 1: West Kalimantan Province, showing Ketapang and Sintang as potential sites and forest and peat at risk (darker green denotes forest cover; red notes forest and peat at risk)** *Source: Daemeter, 2016*




**Map 2: Central Kalimantan Province, showing east Kotarwaringan as potential site and forest and peat at risk (darker green denotes forest cover; red notes forest and peat at risk)**

**Map 3: East Kalimantan Province, showing east Kotarwaringan as potential site and forest and peat at risk (darker green denotes forest cover; red notes forest and peat at risk)**

## **Annex K: Tracking tools**

-See separate file-

## Annex L: Co-financing letters



**MINISTRY OF ENVIRONMENT AND FORESTRY**  
DIRECTORATE GENERAL OF FORESTRY PLANNING AND ENVIRONMENTAL GOVERNANCE  
**SECRETARY DIRECTORATE GENERAL**  
Manggala Wanabakti Building, Block I, 7th, Jenderal Gatot Subroto Street, Jakarta 10270  
Telepon (021) 5730 290, 5730318, Faksimile (021) 5734632

28 November 2016

Ref. No. : S. 1354 / SETDIR / HKST / Kum. 3 / 11 / 2016  
Attachment : -  
Subject : Co-Financing Commitment Letter for the Project  
"Strengthening Forest Area Planning and Management in Kalimantan"

**Ms. Adriana Dinu**  
Executive Coordinator  
UNDP – Global Environment Facility (GEF)  
United Nation Development Programme  
304 East 45th Street, FF 914, New York, NY 10017  
United States Of America


Ministry of Environment and Forestry of Indonesia, c.q. Directorate General of Forestry Planning and Environmental Governance, has developed a project document to secure funding under GEF-6 for the Project entitled "Strengthening Forest Area Planning and Management in Kalimantan".

In this regards, as part of our commitment on co-financing for the above mentioned project, we would like to express our support for the project by providing in-kind contribution with total amount of USD **50,000,000** for 7 year project activity from year 2017 - 2023 or as much as USD **7,142,857** for each year.

This in-kind contribution will be used to support project implementation at 4 (four) targeted landscape in 3 (three) province in Kalimantan (West Kalimantan, East Kalimantan and Central Kalimantan) and Jakarta.

We hope this project will contribute to government effort in achieving the national government priorities regarding to preserve the ecological balance and biodiversity as well as the existence of natural resources as a life support system to support sustainable development.

Sincerely,



**Ir. YUYU RAHAYU, M.Sc.**  
**Secretary Directorate General**

Cc.  
1. Director General of Forestry Planning and Environmental Governance.  
2. Secretary General of Ministry of Environment and Forestry.  
3. Assistant Country Director/Head of Environment Unit, UNDP Indonesia.



*Empowered lives.  
Resilient nations.*

28 November 2016

Dear Ms. Dinu,

**Subject: UNDP Indonesia Co-Financing Confirmation for "Strengthening Forest Area Planning and Management in Kalimantan" Project (PIMS #5029)"**

I am pleased to inform you that UNDP Country Office Indonesia provided in-kind contribution amounted of USD 50,000 as a support to implement the GEF funded project entitled "Strengthening Forest Area Planning and Management in Indonesia" over 7 years of project period. The allocated budget will be used to strengthen coordination among sectors and the Government institutions at national and sub-national levels as well as engage private sector. Further, the contribution is in-line with on-going UNDP's support to promote sustainable palm oil production in Indonesia.

UNDP will continue the support to ensure effective project implementation and involvement of broader stakeholders at different level including private sector.

Thank you for your kind attention and continuous cooperation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Budhi Sayoko', is written over a horizontal line.

Budhi Sayoko  
Assistant Country Director/  
Head of Environment Unit

Ms. Adriana Dinu  
Executive Coordinator  
UNDP - Global Environment Finance  
Sustainable Development Cluster  
Bureau for Policy and Programme Support  
United Nations Development Programme  
304 East 45<sup>th</sup> Street, FF 914  
New York, NY 10017, USA

## **Annex M: Letter of Agreement**

### **COUNTRY OFFICE SUPPORT SERVICE (COSS) AGREEMENT**

#### **AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR THE PROVISION OF SUPPORT SERVICES**

1. Reference is made to consultations between officials of the Government of Indonesia Ministry of Environment and Forestry c.q. Directorate General of Law Enforcement on Forestry and Environment (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme:
  - (a) Identification and/or recruitment of project personnel and technical expertise;
  - (b) Procurement of goods and services to undertake agreed activities;
  - (c) Administration of the donor contribution;
  - (d) Management of grant agreements and related disbursements for project-related activities (to be specified in the project details).
4. The procurement of goods and services and the recruitment of programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures.
5. The relevant provisions of the Revised Basic Agreement for Technical Assistance signed 29 October 1954 between the United Nations, the International Labour Organization, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, and the World Health Organization and the Government of the Republic of Indonesia, the Standard Agreement on Operational Assistance signed 12 June 1969 between the United Nations, the International Labour Organization, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, the World Health Organization, the International Telecommunication Union, the World Meteorological Organization, the International Atomic Energy Agency, the Universal Postal Union, the Inter-Governmental Maritime Consultative Organization and the United Nations Industrial Development Organization and the Government of the Republic of Indonesia and the Agreement signed 7 October 1960 between the United Nations Special Fund and the Government of the Republic of Indonesia including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the above mentioned agreements.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall refer to the enhanced UNDP UPL (Universal Price List) effective date 1 January 2015.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on

the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,



Signed on behalf of UNDP

**Christophe Bahuet**

*Country Director, UNDP Indonesia*

[Date]

  
20/

For the Government

**Bambang Hendroyono**

*Secretary General, Ministry of Environment and Forestry*

[Date]

## **Annex N: Kalimantan Biodiversity Status**



## Annex O: Threatened species recorded within pilot districts

Species group/ Pilot district	Mammals	Birds	Flora
Ketapang	<p><b>Critically Endangered:</b> <i>Pongo pygmaeus</i> (Orangutan)</p> <p><b>Endangered:</b> <i>Nasalis larvatus</i> (Proboscis monkey)</p> <p><b>Vulnerable:</b> <i>Neofelis nebulosa</i> (Clouded leopard)</p> <p><b>Vulnerable:</b> <i>Helarctos malayanus</i> (Sun bear)</p> <p><b>Vulnerable:</b> <i>Nycticebus caougang</i> (Slow loris)</p> <p><b>Vulnerable:</b> <i>Tarsius bancanus borneanus</i> (Slow loris)</p>	<p><b>Critically Endangered:</b> <i>Rhinoplax vigil</i> (Hornbilled hornbill)</p>	<p><b>Endangered:</b> <i>Coelogyne pandurata</i> (Black orchid)</p> <p><b>Endangered:</b> <i>Dyera costulata</i> (Jelutong)</p> <p><b>Threatened:</b> <i>Nepenthes</i> sp (Tropical pitcher plant)</p>
Sintang	<p><b>Critically Endangered:</b> <i>Pongo satyrus</i> (Orangutan)</p> <p><b>Critically Endangered:</b> <i>Manis Javanica</i> (Malayan Pangolin)</p> <p><b>Endangered and Endemic:</b> <i>Catopuma badia</i> (Bornean bay cat)</p> <p><b>Endangered:</b> <i>Hylobates lar</i> (Common gibbon)</p> <p><b>Vulnerable:</b> <i>Sus barbatus</i> (Bearded Pig)</p> <p><b>Vulnerable:</b> <i>Nycticebus caougang</i> (Slow loris)</p> <p><b>Vulnerable:</b> <i>Helarctos malayanus</i> (Sun bear)</p> <p><b>Vulnerable:</b> <i>Rusa unicolor</i> (Sambar deer)</p> <p><b>Vulnerable:</b> <i>Macaca nemestrina</i> (Pig-tailed macaque)</p>	<p><b>Critically Endangered:</b> <i>Rhinoplax vigil</i> (Hornbilled hornbill)</p> <p><b>Endangered and Endemic:</b> <i>Polyplectron schleiermacheri</i> (Bornean peacock-pheasant)</p> <p><b>Near Threatened:</b> <i>Buceros rhinoceros</i> (Rhinoceros hornbill)</p> <p><b>Near Threatened:</b> <i>Anthracoseros malayanus</i> (Black hornbill)</p> <p><b>Near Threatened:</b> <i>Argusianus argus</i> (Great argus)</p>	<p><b>Critically Endangered:</b> <i>Dipterocarpus</i> sp</p> <p><b>Endangered:</b> <i>Shorea</i> spp (Meranti)</p> <p><b>Endangered:</b> <i>Dryobalanops beccarii</i> (Keladan)</p> <p><b>Endangered:</b> <i>Shorea stenoptera</i> (Light red meranti)</p> <p><b>Vulnerable:</b> <i>Eusideroxylon zwageri</i> (Borneo ironwood)</p> <p><b>Vulnerable:</b> <i>Litsea</i> spp (Medang)</p> <p><b>Endemic:</b> <i>Symplocos rayae</i></p> <p><b>Endemic:</b> <i>Gluta sabahana</i> (Ding Hou)</p> <p><b>Endemic:</b> <i>Dillenia beccarlana</i> Martelli</p> <p><b>Endemic:</b> <i>Lithocarpus coopertus</i> Rehd</p> <p><b>Endemic:</b> <i>Gonocaryum crassifolium</i> Ridley</p> <p><b>Endemic:</b> <i>Microstegium spectabile</i></p> <p><b>Endemic:</b> <i>Camus</i></p> <p><b>Endemic:</b> <i>Selaginella magnifica</i> Warb</p>
Kotawaringin Barat	<p><b>Critically Endangered:</b> <i>Pongo pygmaeus</i> (Orangutan)</p> <p><b>Endangered:</b> <i>Nasalis larvatus</i> (Proboscis monkey)</p> <p><b>Endangered:</b> <i>Hylobates agilis</i> (Agile Gibbon)</p> <p><b>Vulnerable:</b> <i>Macaca nemestrina</i> (Pig-tailed macaque)</p> <p><b>Vulnerable:</b> <i>Rusa unicolor</i> (Sambar deer)</p> <p><b>Vulnerable:</b> <i>Sus barbatus</i> (Bearded Pig)</p> <p><b>Vulnerable:</b> <i>Helarctos malayanus</i> (Sun bear)</p>	<p><b>Endangered:</b> <i>Ciconia stormi</i> (Storm's stork)</p> <p><b>Near Threatened:</b> <i>Anhinga melanogaster</i> (Oriental darter)</p>	<p><b>Critically Endangered:</b> <i>Dipterocarpus</i> sp</p> <p><b>Endangered:</b> <i>Shorea</i> spp (Meranti)</p> <p><b>Endangered:</b> <i>Dyera costulata</i> (Jelutong)</p> <p><b>Vulnerable:</b> <i>Scaevola</i> sp</p> <p><b>Vulnerable:</b> <i>Eusideroxylon zwageri</i> (Borneo ironwood)</p> <p><b>Vulnerable:</b> <i>Lithocarpus</i></p> <p><b>Near Threatened:</b> <i>Nepenthes</i> sp (Tropical pitcher plant)</p>

Species group/ Pilot district	Mammals	Birds	Flora
			<p><b>Near Threatened:</b> <i>Nepenthes</i> sp (Tropical pitcher plant)</p> <p><b>Vulnerable:</b> <i>Scaevola</i> sp</p>
Kutai Timur	<p><b>Critically Endangered:</b> <i>Pongo pygmaeus</i> (Orangutan)</p> <p><b>Endangered:</b> <i>Nasalis larvatus</i> (Proboscis monkey)</p> <p><b>Endangered:</b> <i>Hylobates agilis</i> (Agile Gibbon)</p> <p><b>Endangered:</b> <i>Hylobates muelleri</i> (Grey Gibbon)</p> <p><b>Endangered:</b> <i>Prionailurus planiceps</i> (Flat-headed cat)</p> <p><b>Endangered:</b> <i>Cynogale bennettii</i> (Otter civet)</p> <p><b>Endangered:</b> <i>Bos javanicus</i> (Banteng)</p> <p><b>Vulnerable:</b> <i>Presbytis frontata</i> (White-faced langur)</p> <p><b>Vulnerable:</b> <i>Presbytis hosei</i> (Hose's leaf monkey)</p> <p><b>Vulnerable:</b> <i>Neofelis nebulosa</i> (Clouded leopard)</p> <p><b>Vulnerable:</b> <i>Lutrogale perspiillata</i> (Smooth-coated otter)</p> <p><b>Vulnerable:</b> <i>Helarctos malayanus</i> (Sun bear)</p> <p><b>Vulnerable:</b> <i>Rusa unicolor</i> (Sambar deer)</p>	<p><b>Vulnerable:</b> <i>Leptoptilos javanicus</i> (Lesser adjutant)</p> <p><b>Near Threatened:</b> <i>Anhinga melanogaster</i> (Oriental darter)</p>	<p><b>Critically Endangered:</b> <i>Dryobalanops</i> sp</p> <p><b>Endangered:</b> <i>Shorea</i> sp (Borneo tallow nut)</p> <p><b>Vulnerable:</b> <i>Dillenia</i> sp</p> <p><b>Vulnerable:</b> <i>Eusideroxylon zwageri</i> (Borneo ironwood)</p> <p><b>Vulnerable:</b> <i>Aquilaria malaccensis</i> (Agarwood)</p>

## Annex P: Forested areas and deforestation projections within pilot districts

Province	District	Landscape			District			Province		
		Area of effective HCV protection or reclassification (EOP): Landscape - level	Est. annual baseline rate of deforestation of APL	Avoided deforestation if reduced to 1.0% annually over 20 years (beginning year 4)	Area of effective HCV protection or reclassification (EOP): District level	Est. annual baseline rate of APL deforestation	Avoided deforestation if reduced to 1.5% annually over 20 years	Area of effective HCV protection or reclassification (EOP): Province level	Est. annual baseline rate of APL deforestation	Avoided deforestation if reduced to 2.0% annually over 20 years
Central Kalimantan	Kotawaringin Barat	3,931	3.5%	See below	1,966	3.5%	See below	23,051	3.5%	See below
East Kalimantan	Kutai Timur	14,702	3.5%		29,404	3.5%		139,365	3.5%	
West Kalimantan	Ketapang	9,211	3.5%		18,422	3.5%		85,451	3.5%	
West Kalimantan	Sintang	6,503	3.5%		13,006	3.5%			3.5%	
<b>PROJECT TOTALS</b>		<b>34,347</b>			<b>62,797</b>			<b>247,867</b>		

### Remaining forest (baseline and alternative)

Year	Landscape		District		Province	
	Baseline	Alt.	Baseline	Alt.	Baseline	Alt.
1	34,347	34,347	62,797	62,797	247,867	247,867
2	33,144	33,144	60,599	60,599	239,192	239,192
3	31,984	31,984	58,478	58,478	230,820	230,820
4	30,865	31,664	56,431	57,601	222,742	226,204
5	29,785	31,348	54,456	56,736	214,946	221,680
6	28,742	31,034	52,550	55,885	207,423	217,246
7	27,736	30,724	50,711	55,047	200,163	212,901
8	26,765	30,417	48,936	54,221	193,157	208,643
9	25,829	30,113	47,223	53,408	186,397	204,470
10	24,925	29,811	45,570	52,607	179,873	200,381
11	24,052	29,513	43,975	51,818	173,577	196,373
12	23,210	29,218	42,436	51,041	167,502	192,446

Year	Landscape		District		Province	
	Baseline	Alt.	Baseline	Alt.	Baseline	Alt.
13	22,398	28,926	40,951	50,275	161,639	188,597
14	21,614	28,637	39,518	49,521	155,982	184,825
15	20,858	28,350	38,134	48,778	150,523	181,129
16	20,128	28,067	36,800	48,046	145,254	177,506
17	19,423	27,786	35,512	47,326	140,170	173,956
18	18,743	27,508	34,269	46,616	135,264	170,477
19	18,087	27,233	33,069	45,917	130,530	167,067
20	17,454	26,961	31,912	45,228	125,962	163,726
	Ha. avoided deforestation	9,507		13,316		37,764

START AREA	345,010
END PROJECT TOTAL FOREST AREA (BASELINE)	175,328
END PROJECT TOTAL FOREST AREA (ALTERNATIVE)	235,915
AVOIDED DEFOR	60,587

## Annex Q: Screenshot of the FAO Ex-Ante Carbon Balance Tool (EX-Act) results page

Using the FAO EXACT tool, the project has conservatively estimated carbon benefits at 13.8 million tCO<sub>2</sub>e over a 20-year period deriving from expected reductions in annual deforestation rates in Non-Forest Lands (APL) from current levels of approximately 3.5% p.a. Under baseline conditions, this rate of deforestation would lead to a reduction in forest cover in areas which are currently both forested and in the APL land use category. Such areas currently cover an estimated 345,010 ha across the three provinces; forest cover in these areas would thus be reduced by nearly 50%, to 175,328, under the baseline scenario.

As detailed in **Annex P**, it is estimated that the combined impacts of reclassification and introduction of new and enforceable regulations will reduce the above rates of deforestation beginning in year 3 to 1% p.a. in demonstration landscapes, 1.5% in pilot districts and 2.0% in participating provinces. Thus, under a conservative alternative scenario, loss of HCV within these areas would be reduced by a total of 60,587 ha. This avoided deforestation will also have important conservation benefits, together with strategies to ensure that conservation efforts are prioritized in areas where potential for incremental biodiversity benefits are greatest and financial trade offs are least.

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The EX-Ante Carbon-balance Tool (EX-ACT) - Tier ONE Edition

Start

Description

Land Use Change

Crop production

Grassland Livestock

Land degradation

Inputs Investments

Detailed Results

Official (1st period 2008-2012)

CO<sub>2</sub>

CH<sub>4</sub>

N<sub>2</sub>O

1

21

310

Name of the project

Continent

Strengthening Forest Ar Asia (Insular)

Climate Soil

Tropical (Wet) HAC Soils

Duration (yr)

20

Total area (ha)

345010

Component of the project

Land Use Changes

Agriculture

Grassland & Livestocks

Degradation

Inputs & Investments

Total

Per hectare

Per hectare per year

Gross fluxes

Without

With

Balance

All GHG in tCO<sub>2</sub>eq

Positive = source / negative = sink

Share per GHG of the Balance

Result per GHG

CO<sub>2</sub>

Biomass

Soil

Other

N<sub>2</sub>O

CH<sub>4</sub>

Results per year

without

with

Balance

Production

t of product

Without

With

Emission Intensity

tCO<sub>2</sub>eq per t of product

Without

With

140,156,076

90,111,663

-50,044,414

-48,654,693

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-420,716

-969,004

7,007,804

4,505,583

-2,502,221

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-3,263,122

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1.Description

2.LUC

3.Cropland

4.Grassland

5. Degradation

6. Inputs

7. Results

Help

Yield

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## **Annex Q: Supplemental Provisions to the Project Document<sup>51</sup>: The Legal Context**

### **General responsibilities of the Government, UNDP and the executing agency**

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
  2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
  3. Assistance under this Project Document being provided for the benefit of the Government and the people of (the particular country or territory), the Government shall bear all risks of operations in respect of this project.
  4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
  5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
  6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.
  7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.
- (a) Participation of the Government
1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
  2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
  3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.
  4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

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<sup>51</sup> Standard annex to project documents for use in countries which are not parties to the Standard Basic Assistance Agreement (SBAA).

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.
7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.
8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.
9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.
10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.
11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

12. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.
13. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager<sup>52</sup> who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.
14. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.
15. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.
16. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.
17. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.
18. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities

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<sup>52</sup> May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.

during the life of the project, without prejudice to the final transfer.

19. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.
20. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.
21. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

#### Rights, Facilities, Privileges and Immunities

22. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.
23. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.
24. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:
  - (a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
  - (b) Be immune from national service obligations;
  - (c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;
  - (d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;
  - (e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.
25. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.
26. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:
  - (a) The salaries or wages earned by such personnel in the execution of the project;
  - (b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
  - (c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment



mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

- (d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.

27. The Government shall ensure:

- (a) prompt clearance of experts and other persons performing services in respect of this project; and
- (b) the prompt release from customs of:
  - (i) equipment, materials and supplies required in connection with this project; and
  - (ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

28. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

29. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

30. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

#### Suspension or termination of assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.
2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.
3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.