



**Environmental and Social Impact Assessment  
and  
Environmental and Social Management Plan  
for the Project  
“Combating illegal and unsustainable trade in  
endangered species in Indonesia” (CIWT)**

**A GEF-financed Project in Indonesia  
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## 1. Introduction

The UNDP-supported and GEF-financed full-sized project entitled "*Combating Illegal and Unsustainable Trade in Endangered Species in Indonesia*" or CIWT project for short, is a six-year project implemented by the Directorate General of Law Enforcement on Environment and Forestry (Gakkum) within the Ministry of Environment and Forestry (MoEF). The CIWT project was designed to address the devastating impact of unsustainable and illegal wildlife trade (IWT) on wildlife populations in Indonesia and SE Asia, with primary focus on addressing the pervasive threats posed by the illegal and unsustainable wildlife trade to endangered species in Indonesia, and by lifting key barriers and honing efforts on the trade chain to disrupt a global industry estimated to be worth US\$ 7-23 billion annually, of which East Asia and the Pacific is thought to contribute US\$2.5 billion alone.

The objective of the Project is to reduce the volume of unsustainable wildlife trade and the rate of loss of globally significant biodiversity in Indonesia and East and South-East Asia. Interventions to achieve this objective are structured into four outcome components, designed to incrementally address barriers at the regional, national, sub-national and local level, as follows:

- **Component 1:** Effective national framework for managing wildlife trade. This component aims to enhance the legal and policy environment by creating subsidiary regulations and removing loopholes and inconsistencies that prevent enforcement of measures to combat illegal wildlife trade, including putting appropriate institutional frameworks in place to ensure interagency coordination domestically and internationally. This component is expected to lead to the key outcome of "Strengthened national policy, legal and institutional framework for regulating illegal commercial wildlife trade and combating illegal wildlife trade".
- **Component 2:** Institutional capacity for implementation and enforcement at the national and international levels. Under this component, the project will support key law enforcement institutions to ensure institutional capacity, including development of tools, can support, continued effective actions for combatting illegal wildlife trade. Increased capacity will be gauged using the ICCWC Indicator Framework related to wildlife trade control as well as increased rate of inspections, seizures, arrests and successful prosecution of wildlife crime cases. Increased, and more effective, enforcement cooperation between Indonesia and other key states (e.g. Vietnam and China) will also be nurtured. This component is expected to lead to the key outcome of "Strengthened institutional capacity for regulatory coordination, implementation and enforcement at the national and international levels".
- **Component 3:** Scaling-up improved enforcement strategy at key trade ports and connected ecosystems. This component will focus on scaling-up on-the-ground implementation of improved enforcement capacity and strategies supported under components 1 and 2, including the Wildlife Crime Unit (WCU) approach for two critically important IWT subnational demonstration regions. Coordinated intelligence analysis will also be supported to determine wildlife trade chains across these regions, including source areas, markets and ports, joint enforcement operations, raising community awareness, engagement in information networks, and livelihood support in source areas. It will support systematic assessment and capacity building for enforcement at five key wildlife trade ports. This component is expected to lead to the key outcome of "Improved enforcement strategy demonstrated and scaled up at key trade ports and connected subnational regions with key ecosystems".
- **Component 4:** Knowledge Management, Monitoring and Evaluation, and Gender Mainstreaming. This cross-cutting project component straddles and underpins the other three by supporting the sharing of knowledge, experiences and lessons learned through project implementation with project stakeholders, the wider public in Indonesia, and globally through the GEF Global Wildlife Program. It is expected to lead to the key outcome of "Implementation and upscaling/replication of project approaches at national and international levels is supported by effective knowledge management and gender mainstreaming".

While CIWT is expected to have an overall positive environmental and social impacts, it also entails social and environmental risks that will need to be safeguarded against pursuant to Indonesia's laws and regulations and UNDP's Social and Environmental Standards (SES 2021).

This ESIA/ESMP covers all social and environmental risks resolving from project's activities and outlines how the implementing partners will ensure a consistent approach to social and environmental risk mitigation and management. In this perspective, the ESIA/ESMP aims to stimulate engagement, negotiations and alignment. The ESIA/ESMP incorporates the findings of two detailed assessments with a focus on the engagement with stakeholders (Stakeholder Engagement Plan) and its interactions with structurally vulnerable local communities (Indigenous Peoples' Plan).

## **2. Legal and institutional framework**

This chapter summarizes the analysis of the legal and institutional framework for the project, within which the social and environmental assessment is carried out, including

- the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to social and environmental issues; obligations of the country directly applicable to the project under relevant international treaties and agreements; and
- applicable requirements under UNDP's SES.

It further compares the existing social and environmental framework and applicable requirements of UNDP's SES and identifies potential gaps that will need to be addressed.

The most relevant national and regional regulations consists of the following:

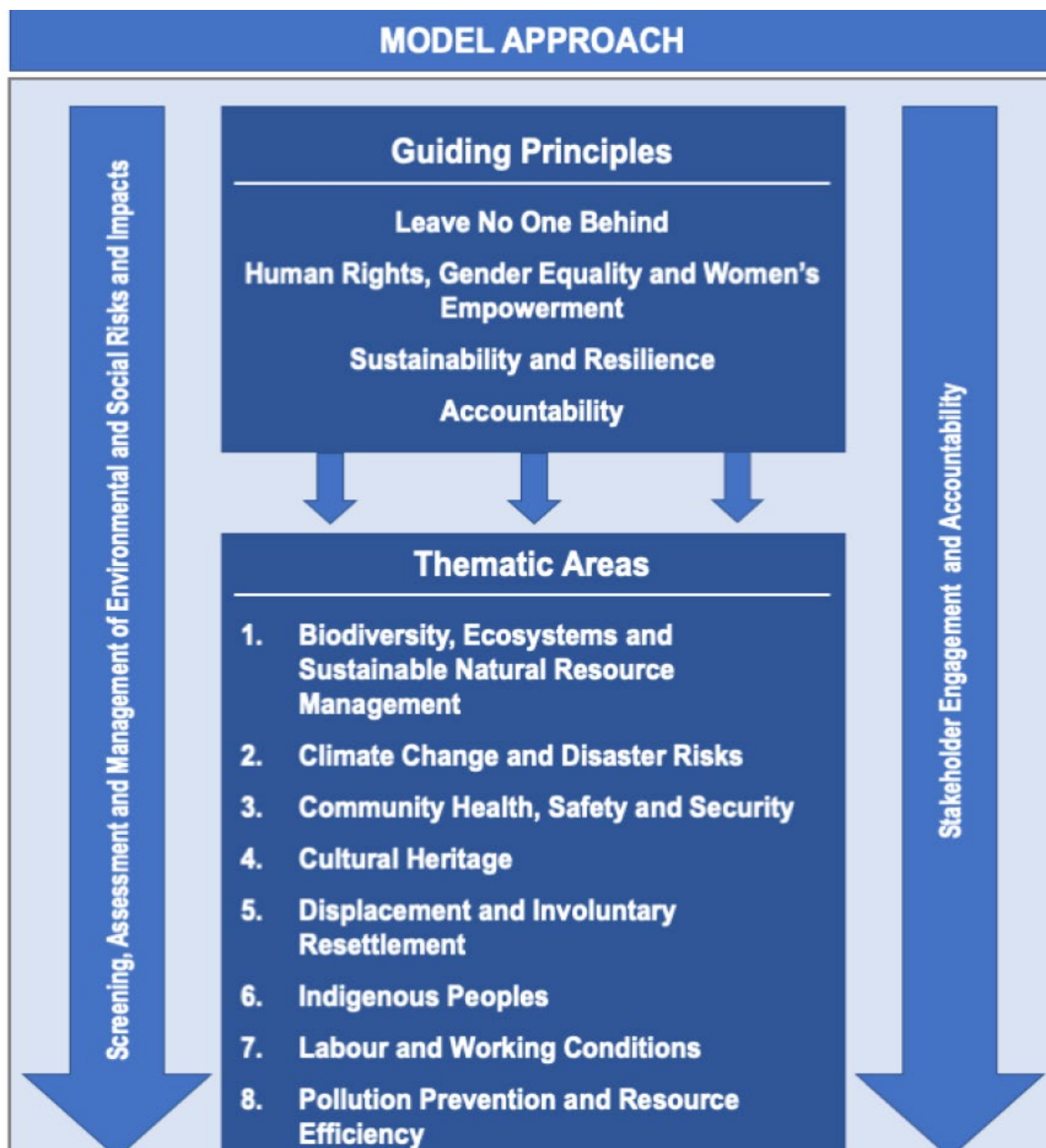
1. The Government of Indonesia (GoI) Act (in Lieu of Law) No. 51/1960 on Prohibition of Land Utilization Without Permission from Owner or Representative;
2. The GoI Act No 1/1970 on Occupational Safety;
3. The GoI Act No 7/1984 on the Ratification of the Convention on the Elimination of All Forms of Discrimination Against Women;
4. The GoI Act No 5/1990 on Natural Resources and Ecosystem Conservation;
5. The GoI Act No 10/1992 on Demography and Family Welfare.
6. The GoI Act No 6/1994 on the Ratification of the United Nations Framework Convention on Climate Change;
7. The Government Regulation No. 24/1997 on Land Registration;
8. The GoI Act No 9/1998 on the Freedom to Express Opinion in Public;
9. The GoI Act No 39/1999 on Human Rights;
10. The GoI Act No. 41/1999 concerning Forestry which outline conservation-oriented policies. It divides forests into three categories, including: Conservation Forests, Protection Forests and Production Forests. It also empowers the Ministry of Forestry to determine and manage Indonesia's Kawasan Hutan (National Forest Estate);
11. The GoI Act No 1/2000 on the Ratification of ILO Convention Number 182 Year 1999 on the Prohibition and Immediate Action for the Elimination of Worst Jobs for Children;
12. Government Regulation No 74/2001 on Hazardous and Toxic Waste Material;
13. The GoI Act No 13/2003 on Labour;
14. The GoI Act No 17/2004 on Ratification of Kyoto Protocol to the United Nations Framework Convention on Climate Change;
15. The GoI Act No 11/2005 on ratification of International Covenant on Economic, Social and Cultural Rights;
16. The GoI Act No 14/2008 on Public Information Disclosure;
17. The GoI Act No 36/2009 on Health
18. The GoI Act No. 26/2007 concerning Spatial Planning. It amends Law No. 24/1992 (Spatial Planning Act) in the context of decentralization, urbanization and other factors. It grants authority over spatial planning to provincial governments (pemerintah propinsi) and district governments (pemerintah kabupaten and pemerintah kota). Provision of this authority is not stipulated within previous spatial planning laws. It also provides some new ways for enhancing development control including zoning, planning permits, implementation of incentives and disincentives, including administration and criminal sanction. Law No. 26/2007 also acknowledges the importance of public participation in spatial planning.

19. The Gol Act No. 14/2008 on Public Information Disclosure;
20. The Gol Act No.18/2008 on Waste Management;
21. The Gol Act No 11/2009 on Social Well-being;
22. The Gol Act No 25/2009 on Public Services;
23. The Gol Act No 32/2009 concerning Environmental Management and Protection. It tasks the environmental executing agency at provincial and district level to develop a Strategic Environmental Assessment to guide the regional spatial planning for development. This Law also has obligated any development program by private sector to implement proper environmental and social consideration including environmental assessment, management plan and monitoring plan;
24. The Gol Act No 11/2010 on Cultural Heritage;
25. Government Regulation No. 24/2010 on Use of Forest Areas;
26. The Gol Act No 1/2011 on Housing and Settlement Areas;
27. The Gol Act No 13/2011 on Handling of the Poor;
28. The Gol Act No 16/2011 on Legal Aid;
29. The Gol Act No 7/2012 on Social Conflict Handling;
30. The Gol Act No 2/2012 on Acquisition of Land for Development in the Public Interest that is followed up by the Indonesia Valuation Standard 204 and the Assessment of Land Acquisition for Development for the Public Interest established by the Preparation Committee for Indonesia Valuation Standard in 2018;
31. Government Regulation No. 27/2012 on Environmental Permit;
32. Government Regulation No. 50/2012 on Occupational Health & Safety Management System;
33. State Minister of Environment Regulation No. 16/2012 on Environmental Document Preparation Guidelines.
34. Minister of Environment Regulation No 5/2012 on Types of Business Plan and/or Activities Obligatory to Have Environmental Impact Assessment;
35. Minister of Environment Regulation No. 17/2012 on Guidelines for Community Involvement in the Process of Environmental Impact Assessment and Environmental Permit.
36. Government Regulation No 27/2012 concerning Environmental Permit, Regulation of the Minister of Environment No. 16/2012 concerning Guidelines for Preparing Environmental Documents (AMDAL, UKL/UPL, and SPPL);
37. The Gol Act No. 18 of 2013 on the Prevention and Eradication of Forest Degradation. This law strengthens law enforcement by providing additional legal certainty and defining the penalties for those engaged in forest destruction. It clearly defines which activities are banned, on the part of individuals and organized groups who log in forests, as well as organizations involved in the illegal timber trade and officials engaged in the falsification of permits;
38. The Gol Act No 6/2014 on Villages. This law has enormous implications for the forestry sector by expanding the authority of villages to manage their own assets and natural resources, revenue and administration. It specifically reallocates a specific portion of the State budget to village administrations, providing all of Indonesia's villages with annual discretionary funding for making local improvements that support poverty alleviation, health, education and infrastructure development;
39. The Gol Act No 11/2014 on Cultural Preserve;
40. The Gol Act No 23/2014 on Regional Governance. This law effectively weakens Indonesia's system of regional autonomy by withdrawing authority over natural resource management (including forestry) from district and city governments and shifts it to provincial and national-level governments;
41. The Gol Act No 37/2014 on Soil and Water Conservation;
42. The Government Regulation No. 101/2014 on Hazardous & Toxic Waste Management;
43. Minister of Forestry Regulation Number P.16/Menhut-II /2014 on Guidelines for Borrow and Use of Forest Area. xxii. MoEF Regulation No P.7 / Menlhk / Setjen / Kum.1 / 2/2019

- Concerning Amendments to the MoEF Regulation Number P.27 / Menlhk / Setjen / Kum.1 / 7/2018 concerning Guideline for Forest Land Use Permit;
44. Ministry of Agrarian and Spatial Planning/National Land Agency Regulation No. 4/2015 on Procedures for Implementing Government Cooperation with Business Entities in Providing Infrastructure;
  45. Minister of Agrarian and Spatial Plan / Head of National Land Agency Regulation No. 10/2016 on Procedures for Determining Communal Rights to Land of Indigenous People and Communities that Reside in Certain Areas;
  46. Government Regulation No 46/2016 on Procedures for Implementation of Strategic Environmental Assessment;
  47. Minister of Agrarian and Spatial Plan, Head of National Land Agency Regulation No. 10/2016 on Procedures for Determining Communal Rights to Land of Indigenous People and Communities that Reside in Certain Areas;
  48. Minister of Environment and Forestry Regulation No 87/2016 on Electronic Reporting System for Environmental Licensing of Businesses and/or Activities;
  49. Minister of Environment and Forestry Regulation No 102/2016 on Guidelines for Formulation of Environmental Documents for Businesses and / or Activities that Have Business Licenses and/or Activities that Do Not Have Environmental Documents;
  50. Government Regulation No. 45/2017 on Community Participation in the Administration of Regional Government
  51. Minister of Environment Regulation No. 31/2017 on Guidance for Implementing Gender Mainstreaming in Environmental and Forestry Sector.
  52. Minister of Environment and Forestry Regulation No 24/2018 on Exemption from Obligation to Prepare AMDAL for Business and/or Activity Located at District Prepared Detail Spatial Plan;
  53. Minister of Environment and Forestry Regulation No. 25/2018 on Guideline on Determination of Types of Business and/or Activity Requiring Environmental Management and Monitoring Measures and Commitment Statement on Environmental Management and Monitoring;
  54. Minister of Environment and Forestry Regulation No. 26/2018 on Guideline on Preparation and Review and Examination of Environmental Document in Implementation of Online Single Submission;
  55. Minister of Environment Regulation No. 38/2019 on Types of Business Plan and/or Activities Obligatory to establish an EIA.

## 2.2. Requirements under the Common Approach to Environmental and Social Standards for the United Nations

The Paper “Moving towards a Common Approach to Environmental and Social Standards for UN Programming” 2019 of the United Nations Management Group includes overarching guiding principles as well as specific guidelines for eight thematic areas.



The Model Approach to Environmental and Social Standards for UN Programming outlines a set of guiding principles and benchmarks that seek to support the implementation of the 2030 Sustainability Agenda; to respect and realize human rights; and to protect the environment from potential adverse impacts of programming interventions. The Model Approach aims to strengthen the sustainability and accountability of UN-entity programming and to improve policy coherence and collaboration with governments and other national counterparts in country-level programming. Alignment with the benchmarks of the Model Approach will reinforce efforts of the UN entity to support partner countries and local governments and entities to achieve the Sustainable Development Goals. The UN entity aligning with the Model Approach is encouraged to compare its existing environmental and social standards and safeguards for programming with the benchmarks of the Model Approach on a voluntary basis.

## 2.3. Requirements under UNDP’s SES

The overarching and unifying principle of UNDP’s SES (2021) is **Leaving no one behind and reaching the furthest behind first**. This principle is further elaborated through the guiding principles of human rights; gender equality and women’s empowerment; sustainability and resilience; and accountability. The SES reinforces a “principled” approach and requests that all UNDP Projects and activities comply with the following principles and standards:

Principle 1. Human Rights	<p>Assess potential adverse impacts regarding <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• enjoyment of human rights (civil, political, economic, social or cultural)</li> <li>• inequitable or discriminatory impacts on affected populations</li> <li>• discriminatory effects on persons with disabilities</li> <li>• restrictions of access and availability to resources and basic services</li> <li>• exacerbation of conflicts or risk of violence</li> </ul>
Principle 2. Gender Equality and Women’s Empowerment	<p>Assess potential adverse impacts on gender equality and/or situation of women and girls, including <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• gender disaggregated analysis of men’s and women’s status, roles, needs, division of labour in relation to the project</li> <li>• potential restrictions on women’s access to or control over resources (e.g. benefits/services, land, market access)</li> <li>• meaningful participation of women in project decision making</li> <li>• risks of gender-based violence (GBV)</li> </ul>
Principle 3. Sustainability and Resilience	Encompassed by issues to be assessed under Project-level Standards
Principle 4. Accountability	<p>Assess potential adverse impacts regarding <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• exclusion of stakeholders, particularly marginalized groups</li> <li>• grievances or objections from potentially affected stakeholders</li> <li>• risk of retaliation or reprisals against stakeholders who express concerns or grievances</li> </ul>
Standard 1. Biodiversity Conservation and Sustainable Natural Resource Management	<p>Assess direct, indirect, and cumulative impacts on natural resources, biodiversity and ecosystem services in project’s area of influence, considering <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• risks of habitat and species loss (incl. risks to endangered species), degradation and fragmentation of natural habitats and protected areas, invasive alien species, overexploitation, water resources and hydrological changes, nutrient loading, biosafety, pollution, and differing values (e.g. social, cultural, economic) attached to biodiversity/ecosystem services by affected communities</li> <li>• impacts across potentially affected landscapes or seascapes</li> </ul>
Standard 2. Climate Change and Disaster Risks	<p>Climate change and disaster risk assessment will examine <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• viability or sustainability of project outcomes due to potential climate change impacts and disaster risks (risks to the project)</li> <li>• increased exposure to climate change impacts and disaster risks, incl. unintended or unforeseen increases in vulnerability (risks from the project)</li> <li>• potential project-related increases in emissions that may exacerbate climate change impacts, such as GHG and black carbon emissions</li> <li>• differentiated impacts of climate change impacts and disasters (e.g. social, gender, age)</li> </ul>
Standard 3. Community Health, Safety and Security	<p>Evaluate the risks and potential impacts related to, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• safety of affected communities during project design, construction, operation, and decommissioning</li> <li>• infrastructure safety as well as traffic and road safety</li> <li>• community exposure to disease</li> <li>• influx of project labour</li> <li>• security-related issues, including use of security personnel</li> </ul>
Standard 4. Cultural Heritage	<p>Evaluate the risks to, and potential impacts on, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• tangible forms of cultural heritage (e.g. objects, sites, structures, natural features)</li> <li>• intangible forms of cultural heritage (e.g. practices, representations, expressions, knowledge, skills and related instruments)</li> </ul>
Standard 5. Displacement and Resettlement	<p>Evaluate the risks and potential impacts of project-related land acquisition and/or access restrictions to:</p> <ul style="list-style-type: none"> <li>• people and communities subject to physical displacement and resettlement</li> <li>• people and communities subject to economic displacement</li> </ul>
Standard 6. Indigenous Peoples	Evaluate the risks to, and potential impacts on, <i>inter alia</i> :



	<ul style="list-style-type: none"> <li>human rights, lands, territories, natural resources, traditional livelihoods, tangible and intangible cultural heritage (incl. knowledge and practices) of indigenous peoples</li> </ul>
Standard 7. Labour and Working Conditions	<p>Evaluate the risks and potential impacts related to <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>working conditions that do not meet national labour laws and international commitments</li> <li>occupational health and safety</li> <li>forced labour and child labour</li> </ul>
Standard 8. Pollution Prevention and Resource Efficiency	<p>Evaluate the risks and potential impacts related to <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>routine or accidental release of pollutants</li> <li>wastes and hazardous materials</li> <li>pesticide use and management</li> <li>resource use (e.g. land, energy, water, other inputs) in order to improve efficiency</li> </ul>

**Table 1:** UNDP Social and Environmental Principles and Standards

## 2.4. Gap analysis

With a view on environment, the national and UNDP policies are largely aligned. However,

- AMDAL, UKL-UPL and/or SPPL is more based on threshold value while UNDP’s ESIA and ESMP are based on magnitude of impact
- The national screening process does not consider the presence of social impacts due to land acquisition impacts (involuntary resettlement and/or economic displacement i.e. SES 5) and impacts towards indigenous peoples as defined in SES 6 and cultural heritage as defined in SES 4.
- Even though “associated facilities” are included in the scope of environmental assessments under the national framework, the term is not as clearly defined as in SES 1 and AMDALS etc. generally place less emphasis on them than required under SES 1.
- The depth of cumulative impact assessments is less clearly defined.
- The provisions for monitoring and independent evaluation are less stringent under the national framework
- Only AMDAL requires public consultations, while UKL-UPL and SPPL do not, while public consultation and disclosure are key requirements under UNDP’s SES.

With a view on the risk of physical and/or economic displacement, indigenous peoples, cultural heritage, stakeholder engagement and grievance management there are a number of differences:

- Eligibility for compensation;
- Treatment of informal occupants and land users;
- Taking into account the specific needs of vulnerable groups and women;
- The provision of resettlement assistance and livelihood restoration support;
- The need to establish management plans in close consultation with the affected people;
- The need to monitor and evaluate the implementation and outcome of management plans;
- AMDAL etc. do not assess the presence of indigenous peoples or impacts towards them;
- The provisions for grievance redress mechanisms outside the juridical systems are limited and do not require detailed documentation as foreseen under UNDP’s SES.

## 2.5. Project Implementation Arrangements

The Directorate General of Law Enforcement of the Ministry of Environment and Forestry (Gakkum) is the Implementing Partner for the CIWT project and 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 the allocated resources.

Gakkum has appointed the Director of Forest Protection as the National Project Director (NPD). In consultation with the NPD, Gakkum selected a former member of the Forest Protection and Surveillance Division to be the National Project Manager (NPM) to lead day-to-day operations within the Project Management Unit.

The day-to-day administration of the Project is carried out by the National Project Manager, in consultation with the National Project Director. The Project Manager is responsible for overall project activities (UNDP Country Office Supported Services to National implementation (NIM) and works closely with the National Project Director to ensure timely deliverables of NIM activities. The PM's prime responsibility is to ensure that the Project produces the results specified in the Project document, to the required standard and within the specified constraints of time and cost. The PM is accountable for preparing Annual Work Plans (AWPs) in advance of each successive year and submits them to the Project Board for approval. The PM is technically supported by the dedicated support team (Project Finance Associate, Project Assistant and Knowledge Management Officer) and works closely with all partner institutions to link the project with complementary national programs and initiatives. The PM is accountable to the Project Board (PB, also known as the Project Steering Committee).

The PB, is the Project's overarching decision-making body. The PB is responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendations for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision rest with the UNDP Program Manager. The PB shall meet at least twice each year to provide strategic guidance and oversight and ensure that the Project is on track to delivery its planned outcomes.

The PB's functions as stated in the Project Document also include:

- approving annual project work plans and budgets presented by the NPM;
- ensuring coordination with various government agencies and their participation in activities;
- ensuring that the UNDP Environmental and Social Screening Procedure safeguards are applied to project implementation;
- approving any major changes in project plans or programs;
- overseeing reporting in line with GEF requirements;
- ensuring commitment of human resources to support project implementation;
- arbitrating any issues within the project;
- negotiating solutions between the project and any parties beyond the scope of the project;
- assuring coordination between various donor funded and government funded projects and programs; and
- overall project evaluation.

Its membership includes national and subnational members of Gakkum, 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); Directorate General of Customs and Excise, Ministry of Finance (MoF); Indonesian Institute of Science (LIPI); Criminal Investigation Department, Indonesian National Police (INP); and UNDP Country Office Indonesia. Other organizations were to be added as necessary and agreed by the Project Board. The PMU serves as Secretariat to the Project Board.

The demonstration activities in Component 3 of the Project (for two subnational regions, four seaports and one airport) were to be coordinated by Project Implementation Units (PIUs), each of which will be led by a manager of the relevant regional or local office of the Gakkum and supported by one Project Liaison Officer per region. Technical assistance was also to be provided for project implementation in each demonstration region through subcontracted inputs from WCS and other CSO partners.

### **3. Project description**

The Republic of Indonesia - a diverse archipelago nation of more than 300 ethnic groups - is a large country in Southeast Asia that comprises more than 17,000 islands making it the largest archipelagic nation in the world with more than 95,000 km<sup>2</sup> of coastline. The islands of Indonesia include (parts of) the second (New Guinea), third (Borneo) and sixth (Sumatra) largest islands in the world; in addition to numerous smaller and larger islands. The total land area of Indonesia is 1,919,440 square kilometers with an average population density of 134 people per square kilometer making it the fourth most populous country in the world as per the most recent national census undertaken in 2020.

Due to its tropical setting and geological complexity, Indonesia is one of the most biologically diverse nations with very high levels of both terrestrial and marine diversity and a high level of endemism. Its insular character and complex geological history led to the evolution of a megadiverse fauna and flora on the global scale and Indonesia's biological diversity is among the richest in the world and is widely recognized as one of 17 mega-diverse countries on earth.

It is also home to 2 of the world's "hotspots", has 18 World Wildlife Fund's "Global 200" ecoregions and 24 of Bird Life International's "Endemic Bird Areas". The country possesses 10% of the world's flowering species (estimated 25,000 flowering plants, 55% endemic) and ranks as one of the world's centres for agrobiodiversity of plant cultivars and domesticated livestock. For fauna diversity, about 12% of the world's mammals (773 species<sup>25</sup>) occur in Indonesia, ranking it second, after Brazil, at the global level. About 16% of the world's reptiles (781 species) and 62 species of primate place Indonesia fourth in the world. Further, 17% of the total species of birds (1,748 species) and 270 species of amphibians place Indonesia in the fifth and sixth ranks, respectively, in the world.<sup>28</sup> Indonesia has 556 protected areas covering 36,069,368.04 million ha which consist of 490 terrestrial protected areas (22,540,170.38 ha) and 76 marine protected areas (13,529,197.66 ha).

The country's transition to become middle-income - and rapid rate of industrialization associated with it - has exerted various pressures on its biodiversity and resource endowments, leaving many species vulnerable; some even facing threats of extinction. The high population density of Indonesia combined with a rapid rate of growth pose a serious threat to its natural environment. Furthermore, corruption and poverty combine to make it even more difficult to address this threat in an adequate fashion and have impeded attempts to protect and restore natural areas and species.

The most recognized factors affecting biodiversity loss and species extinction in Indonesia are habitat degradation and fragmentation, landscape changes, over-exploitation, pollution, climate change, alien species, forest and land fires, and the economic and political crises occurring in the country. However, and perhaps the most insidious threat to the country's biodiversity, is the illegal wildlife trade as Southeast Asia plays an important source and gateway role. Illegal wildlife trafficking is a complex multi-dimensional phenomenon, often resulting from the interplay of a multitude of factors and can involve a wide variety of state and non-state actors.

At the heart of the illegal wildlife trade are criminal networks that operate throughout the region using highly developed trade infrastructure and strong integration into the global economy. Organized criminal groups leverage loosely affiliated networks of familial ties, corrupt officials and intimidation of publicly registered companies to buy, sell, poach and export illegal wildlife with lack of detection. They may use major airports and seaports as hubs for globally sourced illegal wildlife. The borders of countries with many islands such as Indonesia are difficult to monitor and control, which facilitates transit of both domestic and internationally sourced illegal wildlife and wildlife products. To achieve an effective response and monitoring regime, monitoring needs to be addressed via a coordinated approach across the entire trade chain. The complexity inherent to illegal wildlife trafficking issues also makes it challenging for governments and international organizations, as well as the Multilateral Environmental

Agreements to which they belong, to identify the gaps in existing monitoring, legislative, administrative, enforcement and preventive systems.

Indonesia has long been recognized as one of the most significant origins of illegal wildlife trade, targeting tigers, sun bears, various primates, elephants, rhinos, helmeted hornbill, various birds in particular middle and eastern part of Indonesia, and pangolins. The value of the illegal trade in Indonesia alone is estimated at up to US\$1 billion per year but when one factors in the unsustainable legal trade of species, the value increases exponentially, representing an enormous economic, environmental, and social loss.

Over time this situation has led to a rapid decline in biological diversity which is characterized by the following persistent threats:

- The illegal trade in fauna and flora can fetch huge sums and the global market has been estimated to be in excess of US\$7-23 billion dollars annually, including US\$2.5 billion in East Asia and the Pacific alone;
- Illegal trade has already caused the decline and local extinction of many species across East and South-East Asia, including those inside protected areas. Losses have been more pronounced in areas with populations of tigers, Asian elephants, and various turtle species. In the process, local economies are deprived of billions of dollars in lost revenues and shunted development opportunities;
- Combatting the illegal wildlife trade in Indonesia is hindered by its low domestic political profile, which translates into a lack of interest and poor collaboration between law enforcement agencies. There is also a widespread lack of understanding of laws, their application and enforcement procedures at all levels. There are also regulatory loopholes and jurisdictional inconsistencies that prevent efficiencies in arrests and successful prosecutions;
- Wildlife crime is driven by complex demand dynamics and fluid markets. Furthermore, underlying socio-economic factors including population growth and poverty in rural and protected area boundary zones also exacerbates the problem and productive job opportunities – which might provide local residents with an alternative source of livelihood – are limited, driving some to engage in illegal poaching activities;
- Dynamic demands and changing markets are also underpinned by a culture of hunting and captivity for cultural aesthetics and partly for competitive purposes. In some instances, it is also a customary to exchange souvenirs between colleagues, including in the tradition of marriage.

The objective of the Project is to reduce the volume of unsustainable wildlife trade and the rate of loss of globally significant biodiversity in Indonesia and East and South-East Asia. Interventions to achieve this objective are structured into four outcome components, designed to incrementally address barriers at the regional, national, sub-national and local level, as follows:

- **Component 1:** Effective national framework for managing wildlife trade. This component aims to enhance the legal and policy environment by creating subsidiary regulations and removing loopholes and inconsistencies that prevent enforcement of measures to combat illegal wildlife trade, including putting appropriate institutional frameworks in place to ensure interagency coordination domestically and internationally. This component is expected to lead to the key outcome of “Strengthened national policy, legal and institutional framework for regulating illegal commercial wildlife trade and combating illegal wildlife trade”.
- **Component 2:** Institutional capacity for implementation and enforcement at the national and international levels. Under this component, the project will support key law enforcement institutions to ensure institutional capacity, including development of tools, can support, continued effective actions for combatting illegal wildlife trade. Increased capacity will be gauged using the ICCWC Indicator Framework related to wildlife trade control as well as increased rate of inspections, seizures, arrests and successful prosecution of wildlife crime cases. Increased, and more effective, enforcement cooperation between Indonesia and other key states (e.g. Vietnam and China) will also be nurtured. This component is expected to lead to the key outcome of “Strengthened institutional capacity for regulatory coordination, implementation and enforcement at the national and international levels”.

- **Component 3:** Scaling-up improved enforcement strategy at key trade ports and connected ecosystems. This component will focus on scaling-up on-the-ground implementation of improved enforcement capacity and strategies supported under components 1 and 2, including the Wildlife Crime Unit (WCU) approach for two critically important IWT subnational demonstration regions. Coordinated intelligence analysis will also be supported to determine wildlife trade chains across these regions, including source areas, markets and ports, joint enforcement operations, raising community awareness, engagement in information networks, and livelihood support in source areas. It will support systematic assessment and capacity building for enforcement at five key wildlife trade ports<sup>4</sup>. This component is expected to lead to the key outcome of “Improved enforcement strategy demonstrated and scaled up at key trade ports and connected subnational regions with key ecosystems”.
- **Component 4:** Knowledge Management, Monitoring and Evaluation, and Gender Mainstreaming. This cross-cutting project component straddles and underpins the other three by supporting the sharing of knowledge, experiences and lessons learned through project implementation with project stakeholders, the wider public in Indonesia, and globally through the GEF Global Wildlife Program. It is expected to lead to the key outcome of “Implementation and upscaling/replication of project approaches at national and international levels is supported by effective knowledge management and gender mainstreaming”.

The Project is designed to address and remove the key gaps to accomplishing the long-term solution to this challenge, namely to conserve key wildlife species in Indonesia and East and Southeast Asia, by ensuring that the legal wildlife trade is ecologically and economically sustainable, while reducing the scale and impact of illegal wildlife trafficking, both from Indonesia and in transit through the country. Specifically, the key barriers to be lifted are:

- i. weak policy and regulatory framework, including inadequate legislation, policy and frameworks, as well as overlapping mandates, insufficient information and tools to understand, regulate and combat illegal wildlife trade. Key issues that need to be resolved regarding the legal framework are:
  - a. outdated and weak Government Regulation No. 7/1999 on Wildlife Preservation, under Act No. 5/1990, which fails to protect some CITES listed species, and other species that are of critical conservation concern in Indonesia;
  - b. shortcomings with GR No. 8/1999, on Use of Wild Flora and Fauna Species, specifically articles that clearly align the regulation with existing CITES requirements, as well as lack of articles and guidance on appropriate monitoring and control of species utilization activities.
- ii. suboptimal institutional capacity for compliance monitoring and enforcement among police and customs agencies. Specific gaps and weaknesses under Barrier 2 include:
  - a. lack of technical knowledge within investigators and prosecutors;
  - b. insufficient knowledge/training for enforcement officers;
  - c. limited capacity of civil investigators, requiring some degree of specialist knowledge;
  - d. inadequate coordination among key institutions and insufficient data sharing in Indonesia and the need for stronger bilateral, regional and international cooperation.
- iii. Ineffective enforcement at the site and landscape levels, including the need for taking a multi-agency landscape-level approach within protected areas with populations of globally significant biodiversity and at key ports. Specific gaps and weaknesses under Barrier 3 include:
  - a. insufficient preventive enforcement actions in natural landscapes that stop wildlife entering the wildlife trade in the first place; and
  - b. inadequate focus on markets and transport hubs, which are key focal points in the illegal wildlife trade and where officers from other government agencies (airport and seaport security, customs, etc.) could be brought into the equation to increase the overall surveillance effort.
- iv. Inadequate information sharing mechanisms to support responses to IWT and impeding the conservation and sustainable management of Indonesia’s rich and diverse wildlife resources.

The Project Document was formalized, signed by the Ministry of Finance of Indonesia, on 17 November 2017 and is currently in its fifth year of implementation. The CIWT project currently has a scheduled end date of 17 November 2023.

## 4. Baseline data

The Project focuses demonstration activities / upscaling activities as part of Component 3, targeting two regions, four seaports and one airport. There are two protected areas within the demonstration regions include the second largest in Sumatra (Gunung Leuser NP) and the largest in Sulawesi (Bogani Nani Wartabone NP), both of which are strongholds for many of the Project's targeted species that are heavily traded through the related targeted ports.

FEATURES		DEMONSTRATION REGIONS	FEATURES
Name	Northern Sumatra		Northern Sulawesi
<b>Administrative Units</b>	Aceh province and Langkat Regency of North Sumatra province		Gorontalo and North Sulawesi provinces
<b>DG Law Enforcement Offices</b>	Medan (Sumatra regional office)		Manado (Section office) Sulawesi regional office is in Makassar
<b>Land area</b>	6,272 km <sup>2</sup> (Langkat Regency) 58,377 km <sup>2</sup> (Aceh Province) <b>Total: 64,649 km<sup>2</sup></b>		11,257 km <sup>2</sup> (Gorontalo) 13,851 km <sup>2</sup> (North Sulawesi) <b>Total: 25,108 km<sup>2</sup></b>
<b>Estimated Population per ProDoc</b>	967,535 (Langkat Regency) 4,731,705 (Aceh) <b>Total: 5,699,240</b>		1,134,498 (Gorontalo) 2,382,941 (North Sulawesi) <b>Total: 3,517,439</b>
<b>Key Protected Areas and size in ha</b>	Gunung Leuser NP 1,094,692 ha		Bogani Nani Wartabone NP 287,115 ha
<b>Globally significant species</b>	Sumatran Tiger, Sumatran Elephant, Sumatran Orangutan, Sumatran Rhinoceros, Sunda Pangolin		Anoa, Babirusa, Celebes Crested Macaque, Yellow-crested cockatoo, Maleo, Green and Hawksbill Turtles.
<b>Key species impacted by wildlife trade</b>	Sunda Pangolin, Sumatran Tiger, Sumatran Elephant, tortoises and freshwater turtles, birds, Greater Slow Loris, macaques, Sun Bear, Sumatran Rhinoceros		Birds sourced locally and in transit, including Yellow-crested cockatoo, parrots and lorries, white-eyes, munias, and hornbills. Green and Hawksbill Turtles, sharks, Pangolins, Tarsier, Slow Loris, etc. Many species taken for local bushmeat trade including Anoa, Babirusa, Black Crested Macaque, Maleo eggs.
<b>Key ports and markets involved in wildlife trade</b>	Kuala Namu international airport and Belawan seaport, Medan market		Bitung seaport, Manado port, Tomohon market
<b>Key local stakeholders</b>	BKSDA, NP staff, local and int CSOs, port authorities, police, etc.		BKSDA, NP staff, local and int CSOs, port authorities, police, etc.

The two targeted demonstration regions at the subnational level exemplify all the complexities typically exploited by criminal syndicates, including (i) institutional complexities with multiple government entities and law enforcement agencies with overlapping jurisdictions and mandates and poor capacity to detect infractions; (ii) geographic complexities stemming from an inadequate focus on markets and transport hubs, as well as vast tracts of PAs in remote areas with insufficient resources resulting in limited government driven detection and efforts often led or assisted by CSOs; and (iii) socio-economic complexities fueled by few alternatives for local communities to generate income, marginalization and complex human-wildlife conflict issues.

The two target landscapes were identified through a study compiled by the Faculty of Forestry of Bogor Agricultural University, entitled "Identification of Specific Landscapes for Intervention and Profiling", included as Annex 11 in the ProDoc. The shortlisting of candidate landscapes was undertaken based on a sound process in the aforementioned document, leading to the selection of the Aceh Landscape and Gorontalo-North Sulawesi Landscape for the following reasons:

- **Aceh** was selected based on the availability of remaining large forest tract in Sumatra (Leuser Ecosystem Zone and Ulu-Masen Ecosystem Zone), one of the last viable habitats for the habitat of four species threatened by illegal wildlife trade: Sumatran orangutan, Sumatran tiger, Sumatran elephant and Sumatran rhino. Aceh also has easy access to seaports and airports of two capital cities (i.e. Medan and Banda Aceh).
- **Gorontalo-North Sulawesi** was selected based on the intensive route for domestic and international trade. It is geographically located near the Philippines, easily accessible, via international waters to the nearest seaport in the Philippines, and relatively close to Maluku and Papua where many endemic species (especially birds) live. Sulawesi is also a hotspot

of endemic species in Indonesia and the forests in Gorontalo and North Sulawesi offer a good habitat for anoa and babirusa as well as other endemic Wallacean species. Consumption of bush meat is still widely practiced by local people; consumption of bush meat has become a tradition and linked to local culture, especially in North Sulawesi.

Taken together, the landscape of Aceh in western part of Indonesia and the Gorontalo-North Sulawesi landscape have different types of habitats and key species but have the same issues concerning IWT. By strengthening detection and enforcement processes at five key ports and the analysis and interception of trade chains across related demonstration regions, the CIWT project aims to significantly increase the interception of IWT in these regions and deter poachers and traders from using these areas.

Tackling IWT issues holistically and using a multi-level approach at the landscape level to disrupt the trade chain can also serve to benefit local communities in IWT source areas and along trade chains through awareness raising, voluntary and contracted assistance to government agencies, alternative livelihoods including the surfacing of gender considerations and the proactive mitigation of human wildlife conflicts to persuade communities not to view key species as a threat but an ecosystem benefit.

The background and situational analysis in the Project Document (ProDoc) provides a detailed description of the context and the partners of the CIWT project. This forms a good statement for the Project's country-driven formulation and provides a clear introduction to and articulation of the problem analysis.

Prior to the formulation of the CIWT Project, Indonesia has benefitted from a number of preexisting initiatives, collaborative efforts and external technical assistance on tackling IWT. The government's efforts have been complemented by investments from bilateral and multilateral agencies, and international NGOs over the past years; all to set the Project on the right footing.

Since 2003, the Wildlife Conservation Society (WCS) has pioneered an innovative approach to working with law enforcement agencies across local, regional and national scales to combat illegal wildlife trade in Indonesia, called the "Wildlife Crimes Unit" (WCU). To date, the WCU consists of 6 units to protect both terrestrial and marine protected species and boasts a successful prosecution rate of >90%, with thousands of protected animals and tonnes of animal parts having been seized from sting operations. This is unparalleled in the Asian context and the WCU is the most successful example of an approach to combat illegal wildlife crime in the region. WCS currently invests circa US\$250,000/year in work on illegal wildlife trade in Indonesia, including projects on combating trade of sharks and rays, and strengthening institutional frameworks to combat wildlife trafficking.

Progress in 2015 on strengthening the legal and institutional frameworks for combating the illegal wildlife trade supported by WCS has included a rapid assessment of current knowledge, trends and priority actions for wildlife crime, and a detailed analysis of the policy and legal context with support from USAID, with subsequent support to MoEF to implement report recommendations for legal revisions to improve species protection. This has included significant achievements, including government agreement to revise the Conservation Law 5/1990 in 2016, such that it would always reflect the current and existing CITES list, and progress towards updating the Protected Species List immediately thereafter.

At the landscape level, WCS supported Wildlife Response Units (WRUs) in two critical tiger landscapes in Sumatra—Leuser and Bukit Barisan Selatan. In responding to such conflicts, the WRUs secure and stabilize the situation, and assist communities to remain safe and to protect their livestock, benefiting both the communities and the tigers.

Under a 2014 MoU between the Government of Indonesia and the United States Government (USG), US Government agencies are providing capacity-building assistance to law enforcement agencies on environmental crimes (including wildlife trafficking) and are facilitating regional dialogues of action to reduce illegal wildlife trade.

Regional initiatives include USAID-ARREST (Asia's Regional Response to Endangered Species Trafficking, 2010-2016). Indonesia leads the implementation of the ASEAN- Wildlife Enforcement Network (ASEAN-WEN), which could be used to share intelligence information and for cooperation on CITES matters with ASEAN member countries; Solidifying efforts by the International Consortium for Combatting Wildlife Crimes (ICWC) partners, including the CITES secretariat, Interpol, World Customs Organisation, United Nations Office on Drugs and Crime and the World Bank. In December 2012 Indonesia and Vietnam also signed a MoU on Wildlife Law Enforcement, which is driving bilateral cooperation within the region. Finally, Indonesia was a signatory to the London Declaration on Illegal Wildlife Trade in February 2014.

The above activities, although significant, fall short of the proposed long-term solution: to conserve key wildlife species in Indonesia by ensuring that the legal wildlife trade is ecologically and economically sustainable, while reducing the scale and impact of illegal wildlife trafficking, both from Indonesia and in transit through the country.

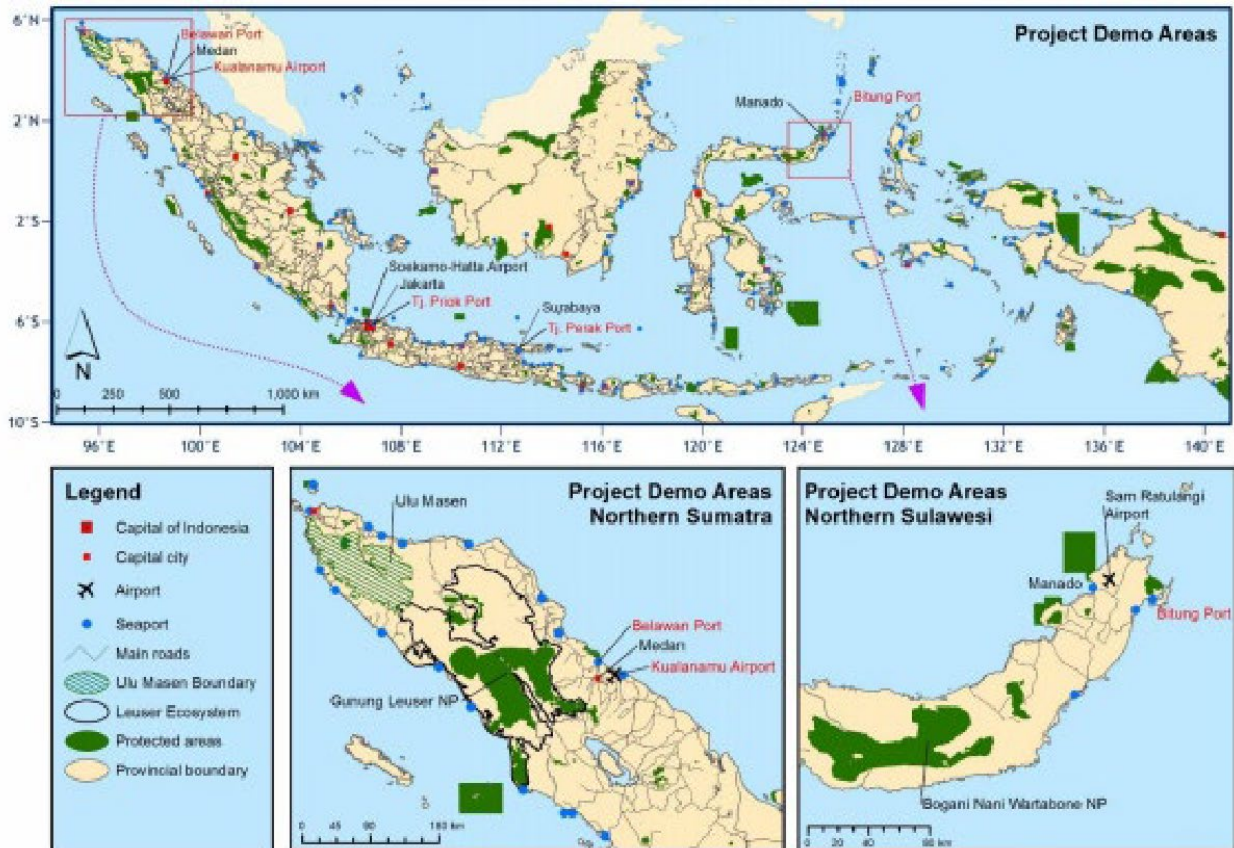
In spite of the progress and commitments made, there remain regulatory loopholes, lack of coordination between enforcement agencies, a lack of capacity and resources, and a limited ability to upscale successful models (e.g. the Wildlife Crimes Unit) with the consequence that wildlife trade, both illegal and legal, will substantially increase or, at best, will continue unabated, resulting in local declines and the increased likelihood of extinctions of key Indonesian wildlife species. Even biodiversity within the PA system is not shielded from poaching to supply the domestic and international illegal wildlife trade. Illegal wildlife trade will continue to operate as organized crime, while legal wildlife trade will remain poorly regulated, raising few revenues for the state, and acting as a cover behind which illegal trade can flourish.

A number of significant policy and economic changes have occurred since the beginning of formal implementation in November 2017, which may have had some influence on the project, be they direct or indirect, positive or negative:

1. Changes to the Baseline and Advances on Key Legislation: The MoEF has revised PP7/1999 twice since the Project's inception, including through P.20/2018 which was subsequently revised to P.92/2018 and revised again becoming P.106/2018, but the Project was not involved in advancing the revision process. While there has been a legal review of studies and academic papers pertaining to P. 447/2003, especially in relation to the revision of the non-commercial and commercial trade of flora and fauna and incorporating elements of genetics in this context, there is still much debate and discourse but no amendments to the legislation itself.
2. The Quarantine Act (UU No.21/2019), promulgated on October 18, 2019 under the Ministry of Agriculture, focuses on the health sector and sets much higher sentences and penalties, with a maximum jail term of 10 years and a fine of up to 10 billion rupiah (about US\$682,000). It was created to prevent the spread of pests, diseases and invasive agents, including the control of genetically modified products. Moreover, the proposed inter-agency task force also became operational with little effort by the Project itself;
3. 2020 Regional Head Elections: Elections for governors, mayors and regents, also known as regional head elections, took place on 9 December 2020 with voting at 298,938 polling stations across 309 regencies in 32 provinces in Indonesia;
4. Development Plan: The initial phase of the CIWT project's implementation fell under the Country Programme Document for Indonesia (2016-2020) but will be superseded by a new Country Programme Document for Indonesia (2021-2025) with refreshed priorities, during its remaining lifecycle;
5. Ministerial Merger forming the MoEF: Prior to January 2015, the Directorate General of Nature Conservation and Forest Protection (Direktorat Jenderal Perlindungan Hutan dan Konservasi Alam, or PHKA) within the Ministry of Forestry was the responsible institution for biodiversity conservation and protected areas. Following the merger of the Forestry and Environment Ministries, the Nature Conservation Agency (Balai Konservasi Sumber Daya Alam, or BKSDA, usually at province level) and National Park (NP) Office were designated as the representatives (implementing units) of central government with responsibility to



manage biodiversity and protected and conservation areas under the direction of the Directorate of Conservation of Natural Resources and Ecosystem (KSDAE). The Directorate of Forest Law Enforcement within PHKA also became a new Directorate General for Environment and Forestry Law Enforcement (Gakkum). The combination of law enforcement capacities between ministries is a particularly promising step in further reducing wildlife crime and forest crime, although interviews have surfaced that differences in corporate cultures, management styles and visions have persisted until recently within the merged Ministries.



## 5. Social and environmental risks and impacts

This chapter takes into account:

1. Environmental risks and impacts, including: any material threat to the protection, conservation, maintenance and rehabilitation of natural habitats, biodiversity, and ecosystems; those related to climate change and other transboundary or global impacts; those related to community health and safety; those related to pollution and discharges of waste; those related to the use of living natural resources, such as fisheries and forests; and those related to other applicable standards.
2. Social risks and impacts, including: any project-related threats to human rights of affected communities and individuals; threats to human security through the escalation of personal, communal or inter-state conflict, crime or violence; risks of gender discrimination; risks that adverse project impacts fall disproportionately on disadvantaged or marginalized groups; any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of disadvantaged or marginalized groups; negative economic and social impacts relating to physical displacement (i.e. relocation or loss of shelter) or economic displacement (i.e. loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land or resource acquisition or restrictions on land use or access to resources; impacts on the health, safety and well-being of workers and project-affected communities; and risks to cultural heritage.

As indicated before, the project entails a number of risks and potentially adverse social and environmental impacts. During project development, the project was review against UNDP's Social and Environmental Screening Procedure. This process was repeated after the Mid-Term Review and revealed a number of social and environmental impacts associated with the project activities (see table 1). The significance of each risk, based on its probability of occurrence and extent of impact, has been estimated against established risk criteria taking into consideration the following factors:

- **Type and location:** is the project in a high-risk sector or does it include high-risk components? Is it located in sensitive areas (e.g. in densely populated areas, near critical habitat, indigenous territories, protected areas, etc.)?
- **Magnitude or intensity:** could an impact result in destruction or serious impairment of a social or environmental feature or system, or deterioration of the economic, social or cultural well-being of a large number of people?
- **Manageability:** will relatively uncomplicated, accepted measures suffice to avoid or mitigate the potential impacts, or is detailed study required to understand if the impacts can be managed and which management measures are needed?
- **Duration:** will the adverse impacts be short-term (e.g. exist only during construction), medium term (e.g. five years) or long-term (e.g. more than 5 years)?
- **Reversibility:** is an impact reversible or irreversible?
- **Community Involvement:** the absence of community involvement is a risk for the success and sustainability of any project. Have project-affected communities been consulted in project planning and design? Will they have a substantive role to play in the project going forward?

Based on these criteria, the identified risks and been categorised into

**Low Risk:** Projects that include activities with minimal or no adverse social or environmental risks and/or impacts such as capacity enhancement projects etc..

**Moderate Risk:** Projects that include activities with potential adverse social and environmental risks and impacts that are few in number, limited in scale, largely reversible and can be identified with a reasonable degree of certainty and readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project implementation. Moderate Risk projects range from those with very few, well-understood social and environmental risks and impacts to those where the full extent of the limited impacts is unclear and further assessment and management planning is required.

**Substantial Risk:** Projects that include activities with potential adverse social and environmental risks and impacts that are more varied or complex than those of Moderate Risk projects but remain limited in scale and are of lesser magnitude than those of High Risk projects (e.g. reversible, predictable, smaller footprint, less risk of cumulative impacts). Substantial Risk projects may also include those with a varied range of risks rated as “Moderate” that require more extensive assessment and management measures. While the type of assessment methodology for Substantial Risk projects depends on the nature of the risks and type of project, generally a scoped, fit-for-purpose Environmental and Social Impact Assessment or Framework is needed to analyze the range and interactions of potential risks and impacts.

**High Risk:** Projects that include activities with potential significant adverse social and environmental risks and impacts that are irreversible, unprecedented, and/or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process. High Risk activities may involve significant adverse impacts on physical, biological, socioeconomic, or cultural resources. High Risk projects may have the potential to aggravate existing situations of fragility or conflict, adversely affect human rights and/or lead to extensive environmental degradation. Comprehensive forms of assessment and management plans are required.

Based on the available baseline information and project information, seven risks have been identified and assessed (see table 6). Based on the combination of these risks, the overall project had been categorized as “**Substantial**”. The main reason for that is that the project impacts on the lives, livelihoods and ancestral territories of people that meet the characteristics commonly associated with indigenous peoples.

The table below identifies the activities and impact chains that trigger these risks:

COMPONENT	OUTCOMES	OUTPUTS	IMPACT CHAINS
<b>Component 1:</b> Effective national framework for managing wildlife trade.	<b>Outcome 1:</b> Strengthened national policy, legal & institutional framework for regulating legal commercial wildlife trade and combating illegal wildlife trade.	<b>Output 1.1:</b> Amendments and drafts for policies, legislation, regulations and procedures to reduce illegal wildlife trade and improve implementation of CITES in Indonesia are developed and legal adoption processes supported	The challenge observed during implementation to date was that due to various constraints those local people whose livelihoods depend on the trade of wildlife were not fully involved in the update of the legislative framework and therefore their needs and desires might not be fully captured and addressed.
		<b>Output 1.2:</b> Proposal for a National Wildlife Crime Taskforce for improved collaboration amongst responsible agencies is developed & operationalized during the project	While the standard operating procedures include provisions to ensure compliance with human rights etc. and a grievance mechanism, there is room for improvement with a view on transparency etc.
		<b>Output 1.3:</b> Economic assessments conducted to quantify the value of legal and illegal wildlife trade and its impacts on the national economy and to assess the feasibility of cost-recovery mechanisms	While the study is very informative, it didn't differentiate who benefits from the trade as well as the costs of enhanced protection of large mammals (tiger, elephants etc.) on local communities. The livelihood impacts remain therefore largely unknown and consequently might not be fully addressed.
<b>Component 2:</b> Institutional capacity for implementation & enforcement at the national & international levels.	<b>Outcome 2:</b> Strengthened institutional capacity for regulatory coordination, implementation and enforcement at the national and international levels.	<b>Output 2.1:</b> Strengthened capacity of Gakkum to tackle IWT	While the capacity enhancement and training in itself entail no environmental and social risks, the challenge might be that due to the potential shortcomings under component 1 it might miss some elements and therefore be or be perceived as being unbalanced. One identified short-coming is that to date there is no provision to assess and compensate the impact of protected wildlife species on crops, houses etc.
		<b>Output 2.2:</b> Training modules and standard operating procedures (SOPs) are developed for integration into government training programs	
		<b>Output 2.3:</b> DG Law Enforcement and other key agencies are trained in wildlife forensics techniques and provided with necessary equipment and expert support	

COMPONENT	OUTCOMES	OUTPUTS	IMPACT CHAINS
		<b>Output 2.4:</b> Drafts of International Agreements on IWT control are prepared; collaboration with international agencies is facilitated; participation of Indonesia representatives in ASEAN WEN and CITES is supported	This activity does not entail any social or environmental risks.
		<b>Output 2.5:</b> Communication Strategy and social marketing campaigns to increase awareness on IWT are implemented at national and regional scales	This activity does not entail any social or environmental risks.
<b>Component 3:</b> Scaling-up improved enforcement strategy at key trade ports and connected ecosystems	<b>Outcome 3:</b> Improved enforcement strategy demonstrated & scaled up at key trade ports and connected subnational regions with key ecosystems.	<b>Output 3.1:</b> Capacity development supported at demonstration ports including training of key agency staff on CITES and IWT control with focused attention on Surabaya port	See comments on output 2.1-2.3.
		<b>Output 3.2:</b> Inter-agency coordination mechanisms for addressing IWT are developed and introduced for the selected subnational regions and ports	See comments on output 2.1-2.3.
		<b>Output 3.3:</b> Gakkum's operations strengthened and key stakeholders effectively engaged in the western & eastern Indonesia demonstration sites including capacity development for SMART patrolling	While the project tried its level best to include all stakeholders it faced challenges to engage with those directly involved in the trade and affected by crop damages etc. The hiring of female community rangers in Northern Sulawesi however provides an excellent avenue to address this challenge
		<b>Output 3.4:</b> Livelihood options and HWC reduction mechanisms developed and introduced to local communities in wildlife trade source areas	To date a number of studies have been completed to identify alternative livelihoods that are planned to be implemented in the remaining time of the project and are consequently addressed in detail in the ESMP.
<b>Component 4:</b> Knowledge Management, Monitoring and Evaluation and Gender Mainstreaming	<b>Outcome 4:</b> Implementation and upscaling/replication of project approaches at national and international levels is supported by effective knowledge management and gender mainstreaming.	<b>Output 4.1:</b> Knowledge management is coordinated with other GEF projects through the GEF Programmatic Framework to Prevent the Extinction of Known Threatened Species	This activity does not entail any social or environmental risks.
		<b>Output 4.2:</b> M&E system incorporating gender mainstreaming developed and implemented for adaptive project management	This activity does not entail any social or environmental risks.

What are the Potential Social and Environmental Risks?	What is the significance level of the potential social & environmental risks?		Describe the assessment and management measures for each risk rated Moderate, Substantial or High
<i>Risk Description (broken down by event, cause, impact)</i>	<i>Impact &amp; Likelihood (1-5)</i>	<i>Significance (Low, Moderate, Substantial, High)</i>	<i>Description of assessment and management measures for risks rated as Moderate, Substantial or High</i>
<b>Risk 1: Disparities in policing:</b> The strengthened environmental law enforcement under CIWT aims to discourage everybody from participating in the illegal trade of endangered species. However, the risk to get caught and facing prosecution is significantly higher for local hunters and transporters than for largescale traders who capture most of the USD 1b/year generated from the illegal wildlife trade. These traders further avoid prosecution by using loopholes such as the absence of legislation that prohibits the import (both purported or factual) of protected species into Indonesia. Corruption, local poverty and the economic impacts of recovering protected species populations around protected areas further provide a constant supply of local helpers and undermine the ability to reduce the illegal trade significantly. In the long run, this might fuel local frustrations and conflicts between forest guards and local communities..	I = 4 L = 2	<b>Moderate</b>	CIWT mitigate these risks by reducing loopholes in the legal framework, providing tangible solutions for the purported or real impacts of protected wildlife on lives and livelihoods outside protected areas and avenues to focus law enforcement on those who run the trade networks. The updated SEP outlines additional measures to strengthen local participation in decision-making on implementation and benefit sharing
<b>Risk 2: Biodiversity loss:</b> While the project aims to protect biodiversity, it is well known that species-specific interventions might lead to imbalances and reduce and alter biodiversity.	I = 4 L = 1	<b>Low</b>	This ESMP provides measures to monitor this risk and trigger actions in the unlikely event that they are needed.
<b>Risk 3: Environmental and Social Impacts from livelihood initiatives etc.:</b> Local initiatives supported by the project (NTFP extraction and commercialization, ecotourism etc.) might require some small scale constructions, generate waste and commercialize cultural heritage. These entail environmental and social risks and impacts. Due to the nature and magnitude of the local initiatives, the potential impacts are considered to be localized and manageable by CIWT's implementation partners.	I = 2 L = 3	<b>Low</b>	This Project-ESMP includes Mini-ESMPs to guide the implementation partners and local communities to avoid, reduce, mitigate and/or manage the potential adverse impacts of developing alternative livelihoods in 50 hectares of the Aunan Sepakat Forest Block BPTN II Kutacane Gunung Leuser National Park, etc.
<b>Risk 4: Misuse of power of law enforcement personnel:</b> Environmental law enforcement, like all other kinds of law enforcement, create a power imbalance that needs to be mitigated and carefully monitored. The main risks here are a) the use of unreasonable force, b) sexual exploitation and abuse, c) extortion, and d) corruption.	I = 4 L = 2	<b>Moderate</b>	The Grievance Redress Mechanism is tailored around these risks to allow close and constant monitoring.
<b>Risk 5: Economic impacts from protecting elephants, tigers etc. also outside protected areas:</b> The envisaged stock recovery adversely affects the lives and livelihoods of communities living outside the national parks. Some progress has been made over time: a) there is relevant national legislation, b) compensation is provided for casualties caused by human-wildlife conflicts, c) measures are proposed to protect farms from elephants etc. and d) promote alternative livelihoods for hunters and traders. However, to date, there is no legislation or mechanism to compensate local people for crop damages by protected species outside protected forests. This reduces and restricts the economic rights of local people, and de facto leads to their economic displacements. While monitoring shows the effectiveness of the enhanced law enforcement, it has not yet reached a level where the stock of protected species is growing and therefore directly contributing to the loss of lives and livelihoods outside protected areas.	I = 4 L = 3	<b>Substantial</b>	The updated SEP outlines specific measures to strengthen local participation in decision-making on how to manage human wildlife conflicts more equitable and how to share benefits from the enhanced stock of protected species. The updated SEP provides a project level grievance mechanism to address any residual risk in the two demonstration sites
<b>Risk 6: Overlapping claims for land and resources:</b> The One Map Initiative suggests that 22 indigenous communities have voiced claims to small and specific parts of the two demonstration sites. While national legislation recognizes their specific rights, the agreed process on how to solve such overlapping claims has not started. This exposes the project to unknown operational and reputational risks that are outside the area of influence of the project. While the project includes all stakeholders, including indigenous peoples in the decision-making process etc., CIWT has no leverage to expedite the national process of how to solve the issue of overlapping land claims.	I = 3 L = 5	<b>Substantial</b>	CIWT has established an IPP to document and manage the issue and to monitor the national process closely together with all project partners. The Grievance Redress Mechanism aims to ensure that any conflicts resulting from this pending issue are documented and solved in line with the provisions outlined in the IPP.

## 6. Environmental and Social Management Plan

<b>Overarching Principle: Leave No One Behind</b>		
<b>Requirement/Standard</b>	<b>Applicability</b>	<b>Rationale and main issues</b>
<b>Human Rights</b>	X	The envisaged reduced trade of protected wildlife can potentially impact the lives and livelihoods of areas claimed and/or inhabited by indigenous peoples. Like other law enforcement support projects, CIWT further entails mutual risks to individual, social, economic and specific human rights.
<b>Gender Equality &amp; Women's Empowerment</b>	X	The project works mainly through governmental structures. While this has proven effective to meet the project's environmental objectives, it entails the risk of replicating societal gender stereotypes. CIWT's gender strategy and gender action plan aim to align the project with women's empowerment and foster gender equality.
<b>Accountability</b>	X	The project supports the enforcement of environmental laws to benefit sustainability at local, national and global levels. It, therefore, needs to demonstrate that costs and benefits are equally distributed.
<b>Social and Environmental Standards</b>		
<b>1. Biodiversity Conservation &amp; Sustainable Natural Resource Management</b>	<input type="checkbox"/>	The risk of impacting the equilibrium between species through targeted environmental law enforcement is expected to be very low or neglectable. The task here is to monitor and take action in the unlikely event that there are changes.
<b>2. Climate Change and Disaster Risks</b>	<input type="checkbox"/>	The overall project is expected to protect biodiversity, fight through this climate change and therefore have positive impacts far exceeding the minor risks resulting from the supported micro-projects.
<b>3. Community Health, Safety and Security</b>	X	The project aims to protect non-state forests and therefore secure clean water sources and access to medicinal plants, etc. This ESMP provides the implementation partners and local communities with guidance to avoid, reduce, mitigate and/or manage the potential use of pesticides, waste etc. resulting from the development of alternative livelihoods in 50 hectares of the Aunan Sepakat Forest Block BPTN II Kutacane Gunung Leuser National Park.
<b>4. Cultural Heritage</b>	X	The issue here is largely resulting from potential undocumented intangible cultural heritage of the indigenous peoples associated to the two demonstration sites. It is assessed and addressed in the IPP.
<b>5. Displacement and Resettlement</b>	X	The project supports the enhanced enforcement of hunting restrictions in and outside protected areas. This de facto reduces local peoples' access to natural resources and income opportunities from trading wildlife. It further exposes local lives and livelihoods to an envisaged growing number of protected species without adequate measures to compensate for crop damages caused by the animals while prohibiting local people from "defending" their crops through traps and hunting on their land.
<b>6. Indigenous Peoples</b>	X	22 indigenous communities have voiced claims that parts of the two demonstration sites form part of their ancestral domain. While their rights, including tenure rights, are recognized at the national level, the agreed national process to solve the issue is ongoing. The IPP documents the existing knowledge and the IPP and the updated SEP provide affirmative actions to ensure the participation of the indigenous people in project activities as relevant.
<b>7. Labour and Working Conditions</b>	<input type="checkbox"/>	The service providers under this project are NGOs known to take care of their people and comply with national and international labour standards. The female forest rangers are hired through the government and receive the benefits of all temporary government employees.
<b>8. Pollution Prevention &amp; Resource Efficiency</b>	X	This ESMP provides the implementation partners and local communities with guidance to avoid, reduce, mitigate and/or manage the potential use of pesticides, waste etc. resulting from the development of alternative livelihoods in 50 hectares of the Aunan Sepakat Forest Block BPTN II Kutacane Gunung Leuser National Park.

The Environmental and Social Management Plan (ESMP) identifies mitigation measures required to address identified social and environmental risks and impacts, as well as measures related to monitoring, capacity development, stakeholder engagement, and implementation action plan.

### 6.1. Risk 1: Disparities in policing

The Mid-Term Review concluded that the strengthening of the legal and institutional framework envisaged under CIWT has been successful and resulted in an enhanced enforcement. However, our local informants suggested that most people who get presently caught are local hunters and transporters of protected species rather than the actual traders. As from the



demand-side local hunters and transporters are easily replaceable and seizure and confiscation enhances prices and therefore profit margins, the project aims to focus in the remaining time more on the middlemen and large scale trader. One instrument is the enhanced engagement of undercover operations and a policy enhancement that aims to reduce loopholes in the legal framework.

It seems equally important to address the purported or real impacts of protected wildlife on lives and livelihoods outside protected areas. This is not only necessary to address the social impacts on the enhanced law enforcement, to reduce one of the “rationale” provided by the local population of why protected wildlife is hunted outside protected areas, but also to ensure that the policing is not focusing on those that consider themselves as the ancestral owners of the land and all resources including the protected wildlife.

While the first point is addressed in more detail in chapter 6.5, the perception of those involved in the illegal wildlife trade and of the local and indigenous communities that live around national parks and other protected areas in the two demonstration sites on the law enforcement initiatives supported by the project has not been assessed in-detail and these people not yet fully integrated in the project-related decision making processes.

While it was logic that the project focused initially on those stakeholders that are responsible for the wildlife related law enforcement as well those that have lobbied for an enhanced implementation such as the project implementation partners WWF and WCS, the risks associated with real or perceived disparities in the law enforcement should be mitigated by

- a) commissioning a study to understand the perception of those involved in the trade in endangered species (legal and illegal) on the existing legal and institutional framework and enhancing the legal and institutional framework on its bases. This might include providing the ground for follow up projects along a legal, controlled and independently certified trade and supply chain of endangered species that died of natural courses or had to be culled to reduce their impacts on lives and livelihoods of local communities. The project could capitalize here from examples in which highly regulated hunting of endangered species outside protected areas provided sufficient financial incentives to transform local hunters and transporters of endangered species into volunteer forest guards.
- b) enhancing the participation of the 22 indigenous communities with overlapping claims and local communities living near the protected areas at the two demonstration sites in the supervision of CIWT (see more details in chapter 6.6, the IPP and updated SEP).

## **6.2. Risk 2: Biodiversity loss**

As indicated in the impact assessment, the risk is here that in the long run the protection of some species also outside protected areas, while others can be hunted, might result in an overpopulation of the protected wildlife species in particular those that are at the top of the ecological pyramid such as tigers and elephants. Such an overpopulation would not only increase the impacts of these species on the lives and livelihoods of local communities, but also undermine the long-term sustainability of the biodiversity in the protected areas. It is however unlikely that protected area managers in the two demonstration sites have to think about culling or providing contraceptives to control the growth of elephant and tiger populations within the duration of the project.

The proposed mitigation measure is therefore to include in the monitoring of site related impact chains under CIWT's component 4 not only the number of endangered species in the demonstration site, but also the population trends of their natural competitors and those they feed and depend on.

## **6.3. Risk 3: Environmental and Social Impacts from livelihood initiatives etc.**

In the remaining 1.5 years of project implementation, CIWT aims to commission an NGO to develop alternative livelihoods through the restoration of 50 hectares of forests in the Aunan Sepakat Forest Block BPTN II Kutacane Gunung Leuser National Park. The ToR also foresees

the training of 75 people (50% of them women). Experience shows that if not carefully managed, the restoration of tropical forests might have the following environmental and social impacts:

- a) the use of exotic tree species in reforestation and the rehabilitation of degraded forests might trigger adverse impacts on the biodiversity;
- b) the increased use of fertilizers and pesticides (insecticides and fungicides) may have negative biodiversity impacts including aquatic biodiversity;
- c) the use of fertilizer on soils that have become poor and use of phytosanitary products to control insect pests and diseases may have negative biodiversity impacts;
- d) even participatory land use planning may lead to insufficient allocation of arable land if not considerate of local realities or inappropriately restrictive;
- e) even community-based sustainable forest management may affect customary land-use, if not considerate of local realities;
- f) affect access to cultural heritage/places of spiritual importance;
- g) the rehabilitation unintendedly may not fully take into account the needs of ethnic groups (for example due to language barriers) or negatively affect their customary land use;
- h) peoples' cultural heritage, including of an intangible nature, may be at risk if there is a change in land use, or if they are denied any access rights;
- i) individuals could be exposed and harassed for being critical; and
- j) labor and working conditions of people employed in the restoration might not meet the requirements of UNDP's SES in particular with a view of child labor, antiharassment, health and safety and adequate remuneration.

In this perspective, the project organized a workshop with the implementing partners in June 2022 to establish short ESIA/ESMPs for all local initiatives (see Annex 2). These ESMPs are now implemented by the relevant partners under the close supervision of CIWT.

#### **6.4. Risk 4: Misuse of power of law enforcement personnel**

To date CIWT has supported the elaboration of Standard Operation Procedures, among others, to align the work of the enforcement agencies and actors with international human rights standards and delivered related training in the two demonstration sites. The project also supported the establishment of a hotline within the ministry where people can voice their grievances and complaints.

The updated SEP further outlines measures to enhance the grievance mechanism for the two demonstration sites. Through these adjustments, the grievance redress mechanism becomes more proactive, provides the option to protect the identity of aggrieved persons from the ministry and therefore reduce the risk of retaliations etc., and establishes of dedicate female-operated hotline to manage grievances related to sexual exploitation and abuse and other forms of gender-based violence. This is extremely important as under Sharia Law that is customary implemented in Ache the female survivors would be prosecuted instead of being provided with socio-psychological counselling and support as required in line with international standards.

#### **6.5. Risk 5: Economic impacts from protecting elephants, tigers etc. also outside protected areas**

Damage to agricultural crops, livestock, structures and people by wild animals is a natural phenomenon that presumably existed since time immemorial. However, to assume that this loss is borne by farmers close to protected areas without creating resentment, which would be ultimately harmful to conservation, has been proven wrong. What was normal, inevitable, and therefore tolerated by people for millennia has now become a source of discriminative justice since wildlife has retracted into small pockets and therefore the menace is also pocketed. Moreover, since more and more species causing crop damage are covered by legal protection, people are prohibited from using methods such as culling.

As resentment in local people is a major potential threat to conservation programs and therefore also CIWT, a number of attempts have been made to mitigate the conflict. Two main possible approaches are either aimed at protecting the crops from damage or to offer direct or



indirect compensation for the damage. Although a number of means to repel damaging species including fences, trenches, chemical repellents or scare devices have been tried, they are rarely effective on a wider scale over a long time. Often measures that are found effective on a demonstration scale fail when applied landscape-wide for a perceivable reason. Models based on foraging optimization show that when a measure such as a fence or a pheromone repellent is used on a small scale, animals have a choice of avoiding the experimental protected plot and can visit neighboring farms. However, if the measure is applied everywhere, the choice is taken off and animals may start raiding indiscriminately again.

Since it is not possible to offer effective protection to people, crops and property in every situation, a compensation approach becomes inevitable. The nature of conflict and accordingly the concept of compensation are widespread in wildlife management. However, laws and practices of compensation vary widely across different countries and so does their effectiveness. While in Indonesia there is a system in place to compensate families for the loss of family members and damages on houses, there is no system in place to compensate farmers for crop damages caused by protected animals.

As CIWT aims to enforce the hunting and trading of protected species, the project directly restricts people from culling protected animals outside the protected areas in the two demonstration sites and therefore directly increases the adverse impacts of protected wildlife on the lives and livelihoods of the communities in the two demonstration sites. In turn, there is also no system in place to share the benefits from the protection of endangered species with those that are directly affected.

This risk was not identified during project preparation, but this shortcoming observed during the Mid-term Review in 2021. This is rather unfortunate, as CIWT's Implementing Partner WWF has established in 2019 a relevant study on this subject (Leslie, S., Brooks, A., Jayasinghe, N., & Koopmans, F.: Human Wildlife Conflict mitigation: Lessons learned from global compensation and insurance schemes) and could therefore be instrumental in establishing and testing an insurance-based compensation system for wildlife damages.

CIWT should therefore use the remaining time to support the local conservation authority in the process to research, establish and implement systems to compensate for wildlife damages, to the extent possible. Traditional and local values are to be respected and highly consulted. This should include the following steps:

1. Hire a qualified consultant to guide the elaboration of these systems. To avoid perceived or real conflicts of interests, conservation NGOs and consultants that mostly work for conservation projects should be excluded;
2. Inform all communities in the two model landscapes and invite them to delegate one person that has suffered from wildlife damages to a meeting in which these representatives should select a steering group to supervise the establishment of compensation system;
3. Facilitate a meeting of the representatives of the affected people to establish a steering committee and guide the detailed fieldwork;
4. Conduct fieldwork to understand general patterns of wildlife damage, potential reporting and verification processes and methods to establish based on market values full replacement costs without detailed case by case assessments;
5. Draft a reporting, verification and compensation system for wildlife damage and workshop it with the steering group and the relevant structures in the Ministry of Environment.

## **6.6. Risk 6: Overlapping claims for land and resources**

The IPP assessed the issue in detail and outlines steps to enhance the integration of the representatives of indigenous peoples in the decision making processes in CIWT. This enables an enhanced integration of the relevant indigenous communities in further engagements with the objective to obtain their free, prior and informed consent for all CIWT activities on territories claimed by them. These provisions are echoed in the updated SEP.

## **6.7. Monitoring**

The monitoring objectives with a view on the implementation and effectiveness of the outlined mitigation measures focuses on those risks that have not been fully captured in the implementation of CIWT to date, more specifically the integration of local communities and indigenous peoples in the project-related decision-making processes that affect them, on the elaboration and implementation of the system to compensate losses of lives and livelihoods from protected species outside protected areas and on the management of environmental and social impacts of detailed interventions in the demonstration sites. The monitoring should be conducted by the Monitoring and Evaluation Officer of the project in close consultation with those at risk. In this perspective ,it should not be limited to activity monitoring but also incorporate the satisfaction of local communities and indigenous people, of people that were adversely affected by protected wildlife and aggrieved people.

## **6.8. Capacity Development and Training**

To support the CIWT in the implement this ESMP the project team were provided with three trainings: a) a general refresher training on the implementation of UNDP's SES 2021 in UNDP supported projects, b) the use of UNDP's Social and Environmental Screening Procedure to ensure this during project implementation and c) the best practice in implementing projects that affect indigenous peoples in line with UNDP's SES 6 (Indigenous Peoples).

## **6.9. Stakeholder Engagement**

The updated Stakeholder Engagement Plan (SEP) outlines measures to strengthen the meaningful, effective and informed consultations with all affected stakeholders. It will include information on (a) means used to inform and involve affected people in the assessment process; (b) milestones for consultations, information disclosure, and periodic reporting on progress on project implementation; and (c) description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance. The SEP also includes an updated project grievance redress mechanism on the basis of the generic ToR included in Annex 1-

This ESMP, the IPP and the updated SEP shall be disclosed to the public through the project website within one months after acceptance in English and Bahasa and key elements shared with all stakeholders in the context of the project's engagement with stakeholders.

### 6.10 Implementation action plan (schedule and cost estimates)

Risk	Mitigation Measure	Start date	End date	Actor	Responsible	Budget
1. Disparities in policing	Study on perception of traders on laws	4.7.2022	30.9.2022	Consultant	PMU,	USD 20,000
2. Biodiversity loss	Monitor population of competitors of protected species	4.7.2022	Ongoing	Project M&E Officer	Project Manager	Nil
3. Impacts of forest restoration	Establish and implement ESMP	Together with design	Ongoing	Implementing partner	Project Manager	Nil
4. Misuse of power	Upgrade project grievance mechanism	1.6.2022	Ongoing		Project Manager	Nil
5. Economic impacts from protected wildlife outside PA	Conduct a study and propose a compensation system for wildlife damage	1.9.2022	30/6/2023	Consultant	PMU	USD 20,000

# **Annex 1: ToR for the Project-level Grievance Redress Mechanism**

## **1. Introduction and Overview**

These ToR provide guidance on the mandate and functions of the grievance redress mechanism (GRM) for this UNDP-supported Project. The GRM provides one avenue for stakeholder engagement and the management of social and environmental risks and impacts. However, it is not a substitute for proactive outreach to stakeholders to inform them about the Project, seek their input, and respond to their suggestions and concerns regarding social and environmental benefits, risks and impacts.

In the case that an existing national mechanism for grievance resolution may be appropriate for the Project, the UNDP Country Office, jointly with the Project Board, will assess the mechanism's effectiveness against a set of criteria specified in UNDP's Guidance Note on Project GRMs and will determine who will be responsible for undertaking the GRM function as outlined in this TOR

## **2. Mandate**

The mandate of the Project GRM will be to receive and seek to resolve complaints about actual or potential environmental or social harm to affected person(s) arising from Project. The Project GRM will provide:

1. an accessible, predictable and transparent procedure for receiving and responding to complaints
2. direct engagement and dialogue with complainants to clarify issues and interests and develop mutually acceptable responses
3. equitable and rights-compatible resolution of complaints, including contribution to remedy for environmental or social harm demonstrably caused or contributed to by the project
4. opportunity for learning from complaints and their resolution, in ways that contribute to improved management of environmental and social risks and ensure alignment with UNDP's Social and Environmental Standards as well as applicable laws, regulations and policies.

## **3. Eligible Complaints**

To be eligible for a Project GRM response, the complaint must pertain to this UNDP Project and its activities after signature of the Project Document and prior to Project closure. In addition, the complaint must:

- (a) Indicate how Project activity(ies) have caused or contributed, or may cause or contribute to social or environmental harm
- (b) Be made by a person or people (directly or through an authorized representative) who could plausibly be affected by the harm(s) referenced in the complaint.

If further information is needed to determine eligibility, the GRM should seek such information from the complainant before making an eligibility determination.

Complainants may request and receive confidentiality, but the GRM cannot respond to anonymous grievances.

With the complainant's agreement, the GRM will refer requests alleging non-compliance with UNDP Social and Environmental Standards, fraud, or corruption to the appropriate offices within UNDP, the relevant Accountability Mechanism for the Vertical Fund (e.g., GCF IRM) as relevant, and to the relevant national authority(ies).

## **4. Functions of the GRM**

The GRM will function on two levels: at the Project Management level, under the direction of the Project Management Unit (PMU), and as as part of UNDP's Project Assurance role in consultation with and in support of the Project Board. UNDP is responsible for the Project Assurance function, under the direction of the UNDP [Deputy] Resident Representative.

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#### **4.1. GRM at Project Management level:**

The PMU will update the GRM for receiving and responding to complaints through direct engagement with complainants. The GRM at Project Management level will:

1. Establish communications channels to receive complaints, and identify staff responsible for documenting and responding to complaints.
2. Establish procedures to engage with the complainant, seek resolution, and document all complaints and responses.
3. When responding to complaints, engage directly with the complainant to clarify issues, identify options for resolution, and provide or support remedy for any environmental or social risks or impacts that are demonstrably associated with the project.
4. Inform potentially affected community members and other stakeholders (e.g. workers employed in project activities) how to make a complaint about the project (including the option to bring complaints to the Project Management level of the GRM, the Project Assurance function, or the UNDP Accountability Mechanism or the Accountability Mechanism of the Vertical Fund linked to this project as relevant). Where there are CSOs or NGOs that have well-established communication with affected stakeholders, I seek their assistance (voluntary or contracted) to promote awareness and understanding of the GRM.
  - (i) Log and track all complaints received.
  - (ii) Within 5 business days of receipt of a complaint, review the complaint and
    - a. If further information is needed to determine eligibility, seek further information from the complainant and/or project staff to make the determination; OR
    - b. If it is very clear that the complaint does not meet one or more of the eligibility criteria, refer the complainant to appropriate national or local institution(s) that may be able to respond to the complaint; OR
    - c. If the complaint is determined eligible, respond to the complainant through direct, good faith engagement to clarify issues, develop and seek agreement on options for resolution, and address and remedy risks and harms that the project is causing or contributing to (with the option to provide technical assistance to the complainant to support the complainant's effective engagement).
  - (iii) If the complaint is resolved within 60 days, document the complainant's acceptance of resolution, and continue to monitor until all project actions that were agreed to as part of the resolution have been taken.
  - (iv) If the complaint is unresolved 60 days after initial receipt (or if requested by the complainant at any time), offer the complainant the option of referral to the Project Board through the UNDP Project Assurance function, to the UNDP Accountability Mechanism, to the Accountability Mechanism of the Vertical Fund as relevant, or to national institution(s) with a mandate to address the issues raised.
  - (v) Provide quarterly reports on complaints, responses, and outcomes to the Project Board through the Project Assurance function, and collaborate with Project Assurance to identify successes, challenges, trends and lessons learned in responding to complaints.

#### **4.2. GRM at Project Assurance Level (in consultation with Project Board)**

Complainants who are not satisfied with the Project Management GRM response, or who are concerned about an adverse response, may bring their complaint to the Project Assurance function of the Project Board. In such cases, the Project Assurance function will first make an eligibility determination identical to step (vi) of the Project Management level of the GRM outlined above and then continue from step (ii) of the Project Board process as outlined above, except that step (ii) for complaints that are received directly by the Project Assurance function will be "Consult with the PMU on the case, protecting complainant confidentiality if requested."

In addition, UNDP Project Assurance will receive unresolved complaints referred from the Project Management level GRM

For complaints referred from the PMU, The Project Assurance function will:

1. Log and track the complaint.
2. Review documentation received from the PMU and consult with the PMU on the case.
3. Within 5 days of receipt, engage with the complainant to review and clarify the issues raised in the case and explore options for resolution (with the option to provide technical assistance to the complainant to support the complainant's effective engagement).
4. As appropriate, engage with senior representatives of the Implementing Partner and other PB members to clarify issues and explore options for resolution.
5. As appropriate, play a mediating role between the parties to seek resolution of the complaint (with the option to contract with an external mediator).
6. When risks are identified that may affect overall project governance (e.g. potential need to put project components on hold or change the design of the project), ensure that the Project Board has full information about the risks and guides project decision making on the appropriate response;
7. Support the Project Board to address and remedy risks and harms that the project is demonstrably causing or to which it is demonstrably contributing.
8. If the complaint is resolved within 60 days of receipt, document the complainant's acceptance of resolution, and continue to monitor until all project actions that were agreed to as part of the resolution have been taken.
9. If the complaint is unresolved 60 days after referral to the project assurance function (or if requested by the complainant at any time), offer the complainant the option of referral to the UNDP Accountability Mechanism and/or to any national institutions that have a mandate to address the issues raised.

The Project Assurance function will perform these tasks in support of the Project Board:

1. Review complaints received by the GRM and their outcomes, work with the PMU to identify successes, lessons learned, challenges and trends, and report its assessments to the Project Board. Should an outcome to a grievance be compensation, the UNDP Project Assurance function is responsible for confirming this outcome and for working with the Project Board to determine how compensation will be achieved as necessary.
2. Receive quarterly reports on complaints from the Project Management level of the GRM, and collaborate with its staff to identify successes, challenges, trends and lessons learned in responding to complaints.
3. Provide summary reports to the PB of all complaints received (both those received by the operational level GRM and directly by the Project Assurance function) with any recommended actions.
4. Disclose the GRM's work (including case registry, summary reports on individual cases, reports on trends or patterns, and actions taken in response to trends and patterns) to the PB and to project stakeholders, through periodic reporting (at least semi-annual) in media/forums accessible to project stakeholders and protecting confidentiality of complainant identities where necessary;
5. Monitor the PMU's efforts to inform project stakeholders about the GRM, and ensure the accessibility, predictability, transparency, legitimacy, and credibility of the GRM process;
6. Provide continuing education of PB members and their respective institutions regarding policies, procedures, and capacities needed to prevent risks and impacts which could lead to complaints, and to promote the constructive resolution of complaints.

## **5. Submitting a complaint**

**Who can Submit a complaint?** A complaint can be submitted by any individual or group of individuals that believes it has been or will be harmed by the Project. If a complaint is to be lodged by a different individual or organization on behalf of those said to be affected, the complainant must identify the person/people on behalf of who the complaint is submitted and provide written confirmation by the person/people represented that they are giving the complainant the authority to present the complaint on their behalf. The GRM will take reasonable steps to verify this authority.

**How is the complaint submitted?** The GRM will maintain a flexible approach with respect to receiving complaints in light of known local constraints with respect to communications and access to resources for some stakeholders. A complaint can be transmitted to the GRM by any means available (i.e. by email, letter, phone call, meeting, SMS, etc.). The contact information is the following:

- Project Web site: complaint portal PMU email, address, phone number, fax, etc.
- Project Assurance function email, address, phone number, fax, etc.
- UNDP Accountability Mechanism Web complaint portal ([www.undp.org/secu-srm](http://www.undp.org/secu-srm)), email, address, phone number, fax, etc.]

**What information should be included in a complaint?** The Grievance should include the following information:

- (a) the name(s) of the person/people submitting the complaint (“the complainant”);
- (b) a means for contacting the Complainant (email, phone, address, other);
- (c) if the submission is on behalf of those alleging a potential or actual harm, the identity of those on whose behalf the complaint is made, and written confirmation by those represented of the Complainant’s authority to lodge the complaint on their behalf;
- (d) a description of the potential or actual harm;
- (e) names of the individual(s) or institutions responsible for the risk/harm (if known), and the location(s) and date(s) of harmful activity (if Complainant states that harm has already occurred);
- (f) what has been done by complainant thus far to resolve the matter;
- (g) whether the complainant wishes for their identity to be kept confidential; and
- (h) the specific response requested from the GRM.

However, complainants are not required to provide all of the information listed above. Initially, the complainant need only provide enough information to determine eligibility. If insufficient information is provided, the GRM has an obligation to make a substantial, good faith effort to contact the complainant to request whatever additional information is needed to determine eligibility, and if eligible, to develop a proposed response.

Complainants may request and receive confidentiality, but the GRM cannot respond to anonymous grievances. With the complainant’s agreement, the GRM will refer requests alleging fraud or corruption to the appropriate offices within UNDP and to the relevant partner(s).

## **6. Logging, Acknowledgment, and Tracking of Complaints**

The PMU will receive Grievances, assign each a tracking number, acknowledge each to the Complainant, record the main points electronically in a database that is shared with the Project Assurance function, and provide periodic updates to the Complainant as well as the GRM file. The Project Assurance function will use the same system as the PMU for tracking of complaints forwarded from the PMU. When a complaint comes directly to the Project Assurance function, it will log the case with a new case record.

Within five (5) business days from the receipt of a Grievance, the GRM will send a *written* acknowledgement to Complainant of the Grievance received with the assigned tracking number.

Each Grievance file will contain, at a minimum:

1. the date of the request as received;
2. the date the written acknowledgment was sent (and oral acknowledgment if also done);
3. the dates and nature of all other communications or meetings with the Complainant and other relevant Stakeholders;
4. specific concerns raised by the complaint, and additional information regarding those concerns provided by the PB and any other relevant parties (if relevant);
5. the eligibility determination and rationale
6. any requests, offers of, or engagements of a Mediator or Facilitator;

7. the dates of discussions between the Complainant, PMU and/or Project Assurance staff, and any other relevant parties related to the proposed resolution/way forward, and the main substantive points from each discussion;
8. the Complainant's acceptance or objections to proposed resolutions, and the responses of other relevant parties to proposed resolutions;
9. the proposed next steps if objections arose;
10. the alternative resolution if renewed dialogues were pursued;
11. notes regarding implementation of any agreed resolution; and
12. any conclusions and recommendations arising from monitoring and follow up.

#### **7. Maintaining Communication and Status Updates**

Summary documentation of each complaint will be available for review by the complainant and other stakeholders involved in the complaint, or their designated representative(s). Appropriate steps will be taken to maintain the confidentiality of the Complainant if previously requested.

The GRM will provide periodic updates to the complainant regarding the status and current actions to resolve the complaint. Not including the acknowledgment of receipt of the complaint, such updates will occur within reasonable intervals (no less frequent than every thirty (30) days).

#### **8. Protection from Reprisal and Retaliation**

UNDP seeks to identify, reduce and address the risk of retaliation and reprisals against people who may seek information on and participation in project activities, express concerns and/or access project-level grievance redress processes/mechanisms or UNDPs Stakeholder Response Mechanism or Social and Environmental Compliance Unit. To minimize the risk of reprisal or retaliation, the GRM will maintain confidentiality of complainants' identities when requested, will respond to complainant concerns about reprisal or retaliation and in consultation with the complainant bring the complaint to the Project Board and/or the UNDP Accountability Mechanism for review and action.

#### **9. Without Prejudice**

The existence and use of this GRM is without prejudice to any existing rights under any other complaint mechanisms that an individual or group of individuals may otherwise have access to under national or international law or the rules and regulations of other institutions, agencies or commissions.



## Annex 2: ESMPs for local level project activities

### 1. Collaboration approach of Boganinani Wartabone Management

Activites	Impact	Mitigation
Managing National Park with Empowerment Concept	Negative	Mapping of affected area
	<b>Hunting</b>	Participate of collaboration
	Deforestrasi	Promoting non timber forest product utilization
		increasing capacity
		Conservation fixed term with document form
	Positive	drafting work plan of non-timber forest product management
	1. Lifestyle change	evaluating, reporting, and publication
	2. Conduct Money	Develop collaboration with another stakeholders such as provincial government and district government
	3. hunting place turning into tourist attraction	Publication of the whole activities
4. management response		

No	Activity	Impact		Mitigation
		Positive	Negative	
1	sustainable operation of snare removal	animals protection	cons from some of the surrounding community. The designation of the snares is intended to ward off pests such as wild boars or long-tailed monkeys	coordination with a local village head for every single activities
		awareness about the dangers of snares that threaten the preservation of animals		banner installation or pamphlet about protected animals Focus group discusstion regarding the use of snares and hunting with the people of the buffer villages bordering the forest and conservation particular areas
2	conflict solution of Tenurial conservation area TWA Sijaba Hutaginjang	No one occupies the area because it is a state forest	There are cons from a group of people who can cause a commotion	Involving traditional elders, village officials and other stakeholders such as the local government in every process of resolving conflicts over area claims carried out by a group of people
		Stopping opportunity for large-scale land use change		Meeting with the community group to identify (historical evidence), negotiate and collaborate.

No	Activities	Impact		Mitigation
		Positive	Negative	
1	Socialization to traders and surrounding communities bordering the Tangkoko KPHK area	Protection of community plantation products and traders on bordering forest areas	There are cons from the community asking for compensation for land that has been damaged by the Sulawesi Black Yaki/Monkey	Socialization (public awareness involving regional stakeholders and parties affected by wildlife conflicts
2	Establish a task force for handling wildlife conflicts	The community is actively involved in efforts to prevent yaki wildlife conflicts		Involving local governments and affected communities in efforts to deal with wildlife conflicts
3	Awareness raising of the younger generation of the community will contribute important role in protecting the wild animals The	Community is aware of the role of wild animals in the area		Facilitating awareness activities
4	Training on handling wildlife conflicts involving communities bordering forest areas	The community has the ability to dispel wild animals that enter their gardens and agricultural areas		Facilitate handling training and involve professionals in the field of handling animal conflicts
5	Establish patrol schedules	Protecting endemic animals of North Sulawesi <b>Yaki / Macaca nigra Monkeys</b>		Involving local communities, relevant partners, and government agencies related
6	Conduct mapping of areas bordering areas affected by wildlife conflicts	There is an overview for regional stakeholders in mitigating animal conflicts		There is an updated data on wildlife conflict trends that can be updated every month

### Gunung Leuser National Park

1. **Farm pattern modernization in buffer zone:**
  - Conflict between wild animal and the community
  - Farm failure risk
  - Harmonizing relationship between officer and the community
  - To build the cage that save from the wild animal attack
  - Feed cultivation
2. **Positive Impacts:**
  - Reduce conflict
  - Increase the community income
  - Building the good relationship

**3. Negative Impacts:**

- Population increase
- Capital and insight limitation

**4. The mitigation**

1. Program socialization (awareness raising)
2. Facility and infrastructure assistance
3. Building conservation community groups
4. Running the government with the related UPT (technical field offices)

**Illegal Hunting:**

**Cultivation of wildlife:**

- Aves
- Mammals
- Forest flowers

**Positive impacts:**

- To prevent the area
- To increase the community income
- Maintain good relationship
- Cultivation of biodiversity

**Negative impacts:**

- Limitation on the cultivation knowledge
- Long-term timeline to build the program

**Mitigation:**

- Community training
- Activity in between the program run