



## **Indonesia Sustainable Cities Impact Program**

### **Part I: Project Information**

#### **Name of Parent Program**

**Sustainable Cities Impact Program**

#### **GEF ID**

**10494**

#### **Project Type**

FSP

#### **Type of Trust Fund**

GET

#### **CBIT/NGI**

**CBIT No**

**NGI No**

#### **Project Title**

Indonesia Sustainable Cities Impact Program

#### **Countries**

Indonesia

#### **Agency(ies)**

World Bank

#### **Other Executing Partner(s)**

BAPPENAS - Indonesian Ministry of National Development Planning

#### **Executing Partner Type**

Government

#### **GEF Focal Area**

Multi Focal Area

**Taxonomy**

Focal Areas, Biodiversity, Biomes, Mangroves, Mainstreaming, Infrastructure, Sustainable Development Goals, Climate Change, Climate Change Adaptation, Climate resilience, Disaster risk management, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Sustainable Urban Systems and Transport, Renewable Energy, Energy Efficiency, United Nations Framework Convention on Climate Change, Nationally Determined Contribution, Influencing models, Strengthen institutional capacity and decision-making, Stakeholders, Type of Engagement, Information Dissemination, Consultation, Private Sector, Capital providers, Beneficiaries, Gender Equality, Gender results areas, Participation and leadership, Access to benefits and services, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Integrated Programs, Sustainable Cities, Municipal Financing, Energy efficiency, Municipal waste management, Urban sustainability framework, Integrated urban planning, Green space, Urban Resilience, Transport and Mobility, Urban Biodiversity, Capacity, Knowledge and Research, Knowledge Exchange, South-South, Conference, Field Visit, Peer-to-Peer, Knowledge Generation, Training, Workshop, Capacity Development

**Rio Markers****Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 1

**Submission Date**

9/20/2021

**Expected Implementation Start**

7/1/2022

**Expected Completion Date**

6/30/2027

**Duration**

60In Months

**Agency Fee(\$)**

1,428,318.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
IP SC	Transforming cities through integrated urban planning and investments in innovative sustainability solutions	GET	15,870,200.00	162,300,000.00
<b>Total Project Cost(\$)</b>			<b>15,870,200.00</b>	<b>162,300,000.00</b>

## B. Project description summary

### Project Objective

The project will contribute to fostering transformational change in Indonesian cities through evidence-based planning linked to prioritized capital investments for climate-smart development and biodiversity conservation that deliver Global Environmental Benefits. Within this overarching goal, the specific Project Development Objective (PDO) is to integrate biodiversity and climate-smart management in the preparation of development plans and priority capital investments of participating cities, including financing modalities.

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. Integrated spatial planning and urban management	Technical Assistance	Biodiversity and/or climate-smart management approaches integrated in development plans	? Project cities with city-specific priority areas/corridors for Component 1 identified and agreed  ? Technical analysis reports formulated as inputs into development plans	GET	4,500,000.00	9,524,000.00

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Catalyzing integrated investment in priority areas	Technical Assistance	Biodiversity and/or climate-smart management approaches integrated in preparation of priority investments	<p>? Project cities with city-specific sub-projects for Component 2 identified and agreed</p> <p>? Technical design documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects</p> <p>? Strategic Environmental Assessment documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects</p> <p>? Sub-projects prepared with adequate citizen engagement (50% female participation)</p>	GET	6,000,000.00	142,860,000.00

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Piloting innovative financing approaches and instruments	Technical Assistance	Biodiversity and/or climate-smart management approaches integrated in preparation of priority investments	<p>? Roadmaps/ guidelines of innovative environmental financing instruments formulated</p> <p>? Credit rating and financial management analysis reports formulated for cities</p> <p>? Technical trainings delivered on financing and creditworthiness</p>	GET	3,000,000.00	

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4. Policy dialogue and knowledge management	Technical Assistance	Capacity among participating institutions for implementing green, climate-smart planning and investments strengthened	<p>? Public consultations held on biodiversity and/or climate-smart management approaches</p> <p>? Project cities that have shared their good practices and lessons learned with the SCIP Global Program</p> <p>? Project cities with multiple city departments exposed to biodiversity and climate-smart management approaches in planning, preparing and financing of projects</p>	GET	1,615,200.00	2,190,520.00
Sub Total (\$)					15,115,200.00	154,574,520.00
Project Management Cost (PMC)						
GET			755,000.00		7,725,480.00	
Sub Total(\$)			755,000.00		7,725,480.00	
Total Project Cost(\$)			15,870,200.00		162,300,000.00	

**C. Sources of Co-financing for the Project by name and by type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
GEF Agency	World Bank	Loans	Investment mobilized	10,000,000.00
Recipient Country Government	PT SMI	Loans	Investment mobilized	150,000,000.00
Recipient Country Government	BAPPENAS	In-kind	Recurrent expenditures	2,300,000.00
<b>Total Co-Financing(\$)</b>				<b>162,300,000.00</b>

**Describe how any "Investment Mobilized" was identified**

Investment mobilized includes a \$10 million World Bank IBRD loan for the National Urban Development Project and \$150 million loan from PT Sarana Multi Infrastruktur (Persero) (PT SMI) through its Regional Infrastructure Development Fund.



**D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds**

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
World Bank	GET	Indonesia	Biodiversity	BD STAR Allocation	7,155,963	644,037
World Bank	GET	Indonesia	Climate Change	CC STAR Allocation	3,577,982	322,018
World Bank	GET	Indonesia	Multi Focal Area	IP SC Set-Aside	5,136,255	462,263
<b>Total Grant Resources(\$)</b>					<b>15,870,200.00</b>	<b>1,428,318.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)  
PPG Required **true**

PPG Amount (\$)  
275,229

PPG Agency Fee (\$)  
24,771

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
World Bank	GET	Indonesia	Biodiversity	BD STAR Allocation	183,486	16,514
World Bank	GET	Indonesia	Climate Change	CC STAR Allocation	91,743	8,257
Total Project Costs(\$)					275,229.00	24,771.00

## Core Indicators

### Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	1609.00	0.00	0.00

#### Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	413.00		

#### Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	163.00		

#### Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	1,033.00		

### Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	61314.00	0.00	0.00

#### Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
61,314.00			

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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## Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
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Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
3,101.92			

Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
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Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE
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**Indicator 5.3 Amount of Marine Litter Avoided**

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
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**Indicator 6 Greenhouse Gas Emissions Mitigated**

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)	0	17573435	0	0
Expected metric tons of CO <sub>2</sub> e (indirect)	0	0	0	0

**Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector**

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)		7,329,297		
Expected metric tons of CO <sub>2</sub> e (indirect)				
Anticipated start year of accounting		2025		
Duration of accounting		20		

**Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector**

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)		10,244,138		

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (indirect)				
Anticipated start year of accounting		2025		
Duration of accounting		20		

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		7,877,092		
Male		7,812,825		
Total	0	15689917	0	0

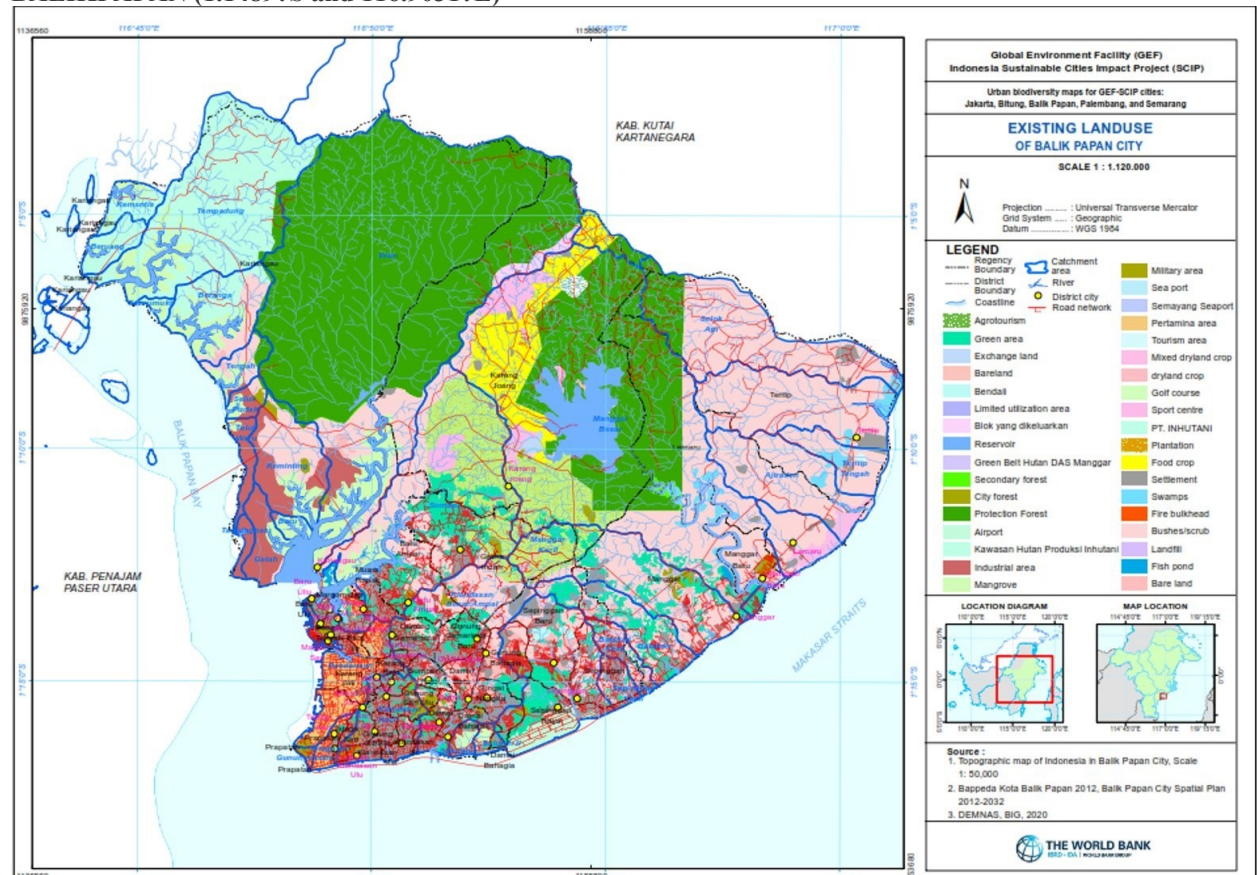
Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

## Part II. Project Justification

### 1b. Project Map and Coordinates

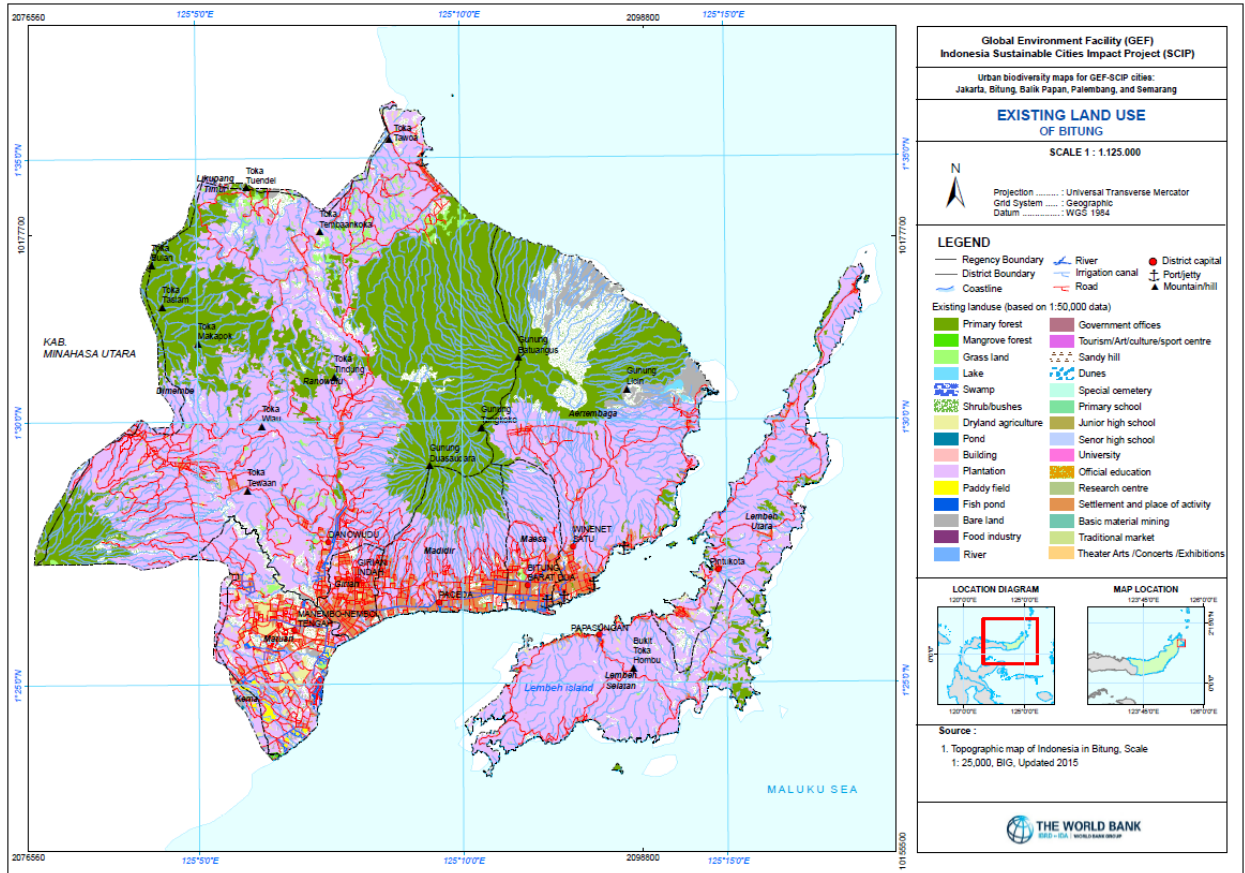
Please provide geo-referenced information and map where the project interventions will take place.

#### BALIKPAPAN (1.1489°S and 116.9031°E)

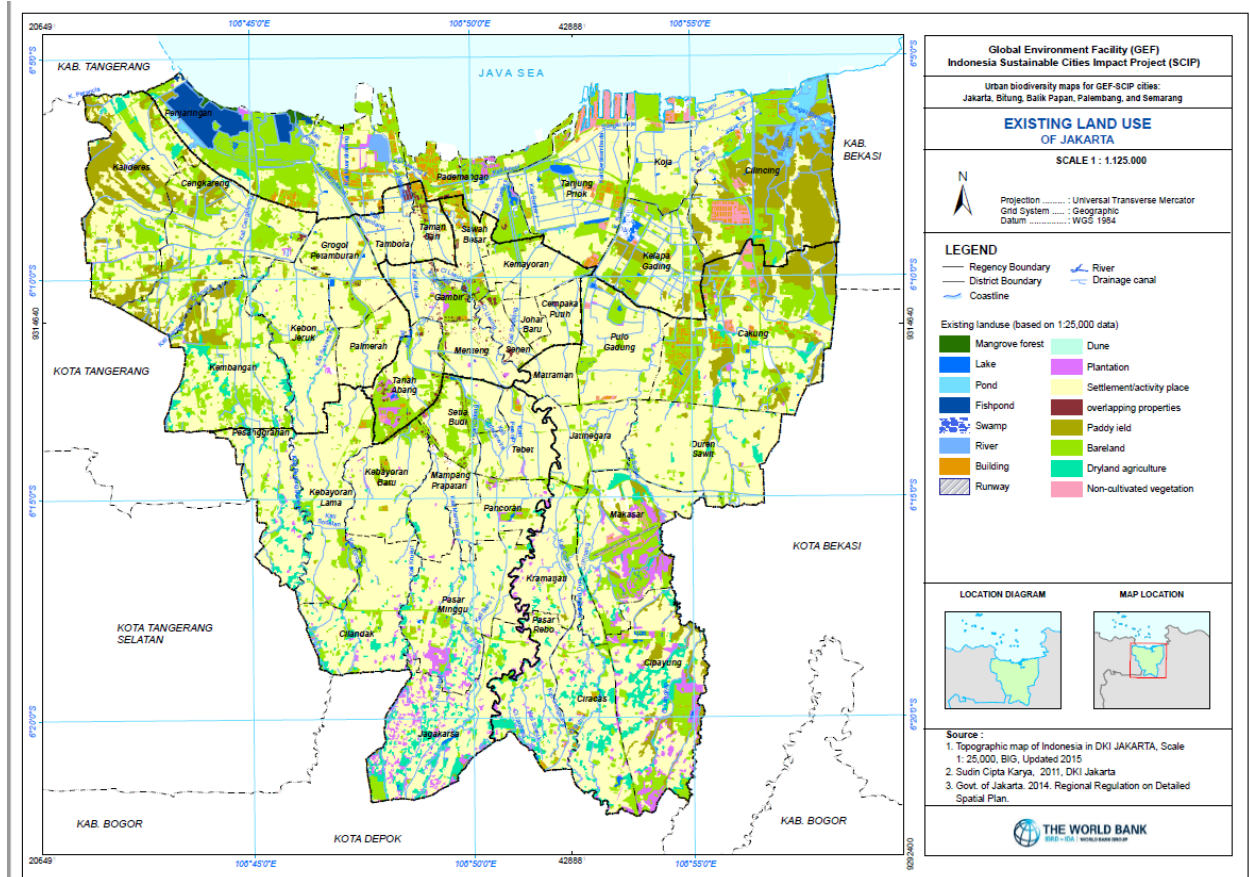


#### BITUNG (1.447222°N and 125.1977778°E)

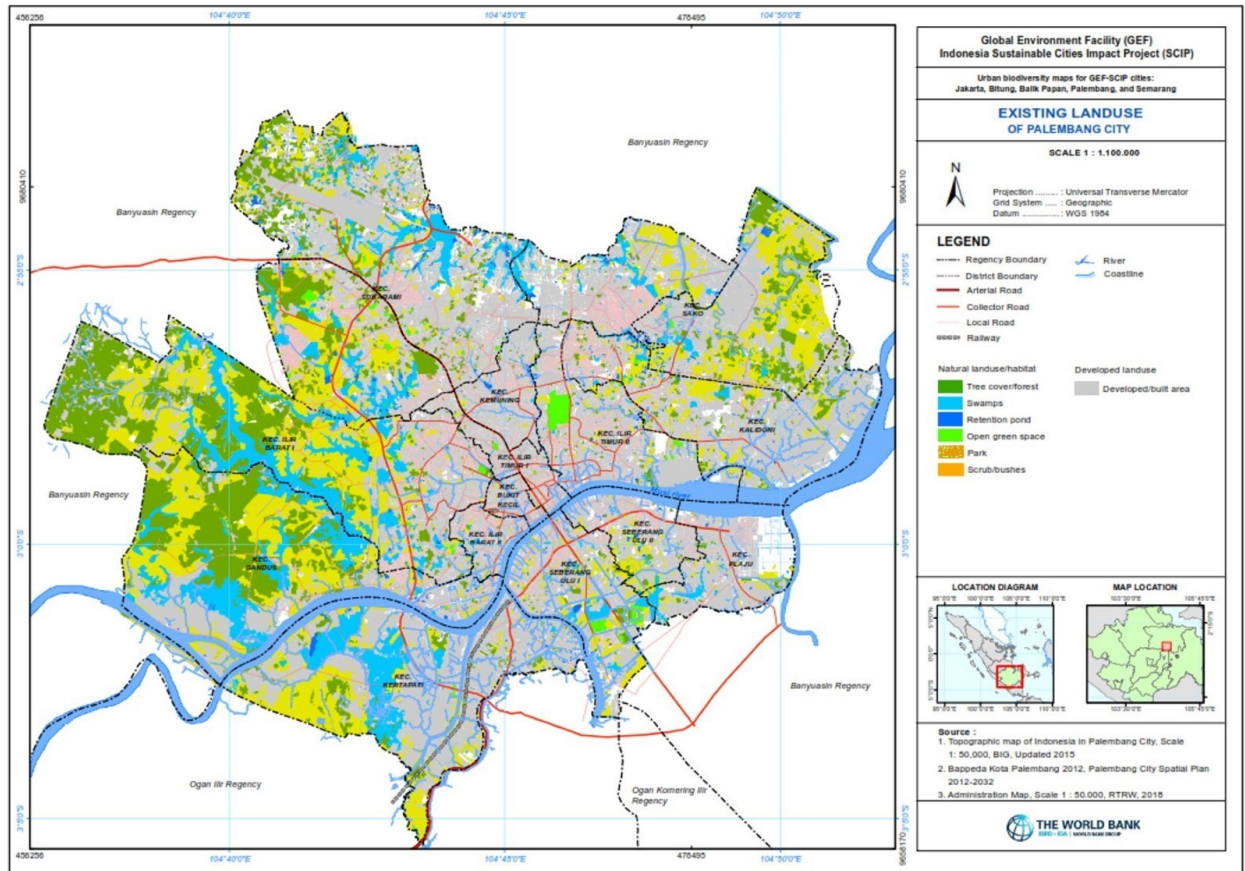




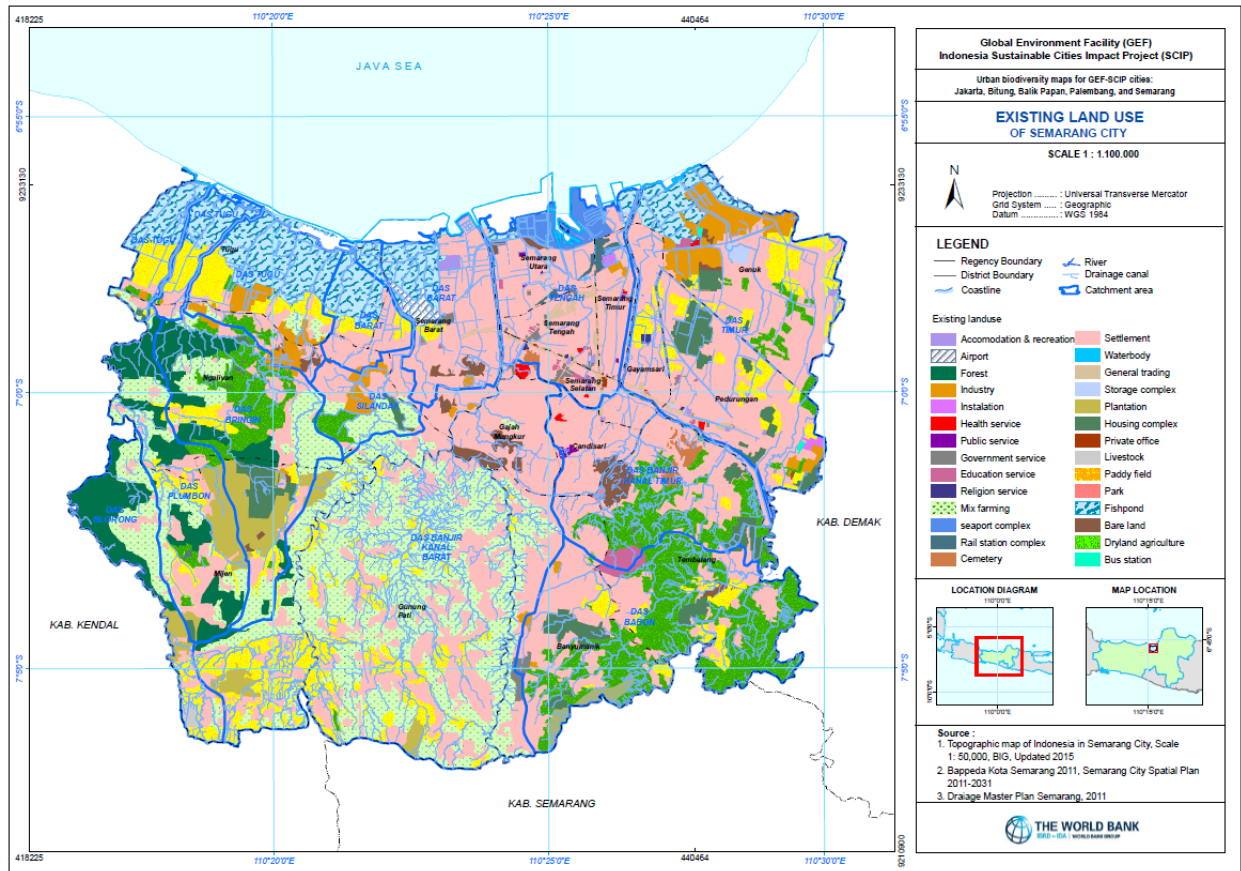
DKI JAKARTA (6.2146S and 106.8451E)



PALEMBANG (2.9833°S and 104.7644°E)



SEMARANG (6.9667S and 110.4167E)



## 2. Stakeholders

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

Please see attached Stakeholder Engagement Plan (SEP).

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Please see below relevant excerpts from the SEP (sections 6 and 7).

### 6.1. Purpose and timing of stakeholder engagement plan

The purpose of this SEP is to inform and involve all relevant stakeholders in the preparation and implementation of the SCIP project, to ensure that they understand their role in general context of the main project. Relevant stakeholders will include both representatives at national level and from the



areas where the initial project activities will be carried out: five cities from five provinces of South Sumatera, DKI Jakarta, South Sulawesi, East Kalimantan, and North Sulawesi.

The project's broader stakeholder engagement will inform the project through consultations and participation during project implementation, e.g. i) communities will participate in the planning and design of the subprojects; ii) transparent feedback and grievance redress mechanism; iii) communication campaign and capacity building; and iv) development of risk management processes and engagement required under the World Bank's Environmental and Social Framework (ESF).

The level and approach for stakeholder engagement will depend on the level of risks and influence each stakeholder shall manage anticipated environmental and social risks. Another important dimension is engagement to enhance project benefits by promoting participatory and inclusive project implementation and responding to community needs. The engagement approach for each component is summarized below. Generally for all components under this Project, The SEP will be implemented as early as possible at the planning stage to ensure that stakeholder participation and their early feedback are well incorporated to better inform the design and planning of project implementation.

Stakeholder engagement activities are part of the overall project implementation and hence, will take place throughout project implementation. Indicative timeframes are included in Table 4 on the Consultation Strategy. Ad-hoc meeting and engagement are not included as these represent day-to-day engagement for the purpose of project implementation.

## 6.2. Proposed strategy for information disclosure

English and Indonesian versions of this ESCP and SEP will be prepared and disclosed on Bappenas' website prior to commencement of any activity on the ground expectedly by early 2022.

**Table 3. Strategy of Information Disclosure**

Project Stage and Information Disclosure	Target stakeholders	Methods[1] <sup>1</sup>
<b>Preparation Stage:</b> Information related to project design and environmental and social approach will be discussed prior to project public consultations. A public consultation will be undertaken prior to the closing of project appraisal. Feedback channels (i.e. email) will be retained to enable the public to submit their feedback during project preparation		
Project Design ESCP, SEP, ESMF	Internal Bappenas	Meeting, email, phone, WhatsApp messenger, exchange of official letters.
	Line ministries and agencies	Meeting, email, phone, WhatsApp messenger, exchange of official letters.
	Cities	Meeting, workshops, email, phone, WhatsApp messenger, press release in mass media, official website, and official social media platform.

	NGO/CSO	Meeting, email, official website, and official media platform.
	Development Partners	Meeting, email, official website, and official media platform.
<b>Implementation stage:</b> Information disclosure during implementation stage are embedded within the project activities, hence the schedule for the stakeholder engagement activities will follow the different phases of the project's implementation timeline.		
Scope of project and activities for each component including the prepared instruments such as SESAs and ESIA's. Project implementation progress. ESMF implementation ESCP and SEP implementation FGRM implementation	Internal Bappenas	Meeting, email, phone, WhatsApp messenger, exchange of official letters.
	Line ministries and agencies	Meeting, email, phone, WhatsApp messenger, exchange of official letters.
	Cities	Meeting, workshops, email, phone, WhatsApp messenger, press release in mass media, official website, and official social media platform.
	NGO/CSO	Meeting, email, official website, and official media platform.
	Development Partners	Meeting, email, official website, and official media platform.
	Local communities	Meeting (online and face to face; depends on the needs and situation), email, phone, WhatsApp messenger, exchange of official letters

### 6.3. Proposed strategy for consultation

Consultation will take place among relevant stakeholders including relevant line agencies, local governments with the coordination of Bappenas as the lead agency. Besides the line agencies and participating local governments, other groups interested in the GEF Indonesia SCIP project implementation in the country will be invited to consultations. Among others: private sectors and Civil Society Organizations (CSOs) including international NGOs, academia. During SCIP implementation, appointed E&S focal points supported by consultants who conduct assessments on the ground, e.g. baseline surveys activities, will engage with relevant stakeholders including local communities.

Due to this pandemic situation, consultation may take place through online platform, such as email and/or virtual meetings and issuance of official letters (submitted at least one-two weeks ahead of the consultations) to inform affected and interested stakeholders of the purpose of the project.

The methods of the proposed strategy for public consultations will vary depending on the topics of discussion and target stakeholders. General approaches include:

- ? Formal consultations through bilateral or multilateral meetings with government ministries and agencies, regular meeting with other stakeholders;
- ? Informal consultations with key stakeholders, both at the national and sub-national levels, including phone calls or WhatsApp messenger;
- ? Public workshops or seminars with both government and non-government stakeholders;
- ? Public discussion and one-on-one consultations or interviews;

**Table 4. Public Consultation Strategy**

Project Stage and Information Disclosure	Target stakeholders	Methods. Appropriate adjustments in COVID pandemic (virtual meeting, phone calls, etc)	PIC
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<b>Preparation Stage:</b> Public consultations during project preparation will focus on high-level consultations with national and local government counterparts, including CSO/NGO representatives. Consultation will focus on project design, institutional arrangements and E&S approaches/instruments applicable to the project. The First consultation during this preparation stage is scheduled on end of September/early October 2021 through a virtual meeting with relevant stakeholders. A detailed list of invitees and agenda, including a project brief will be included in the formal invitation letter for the consultation.			Bappenas
- Project Design - ESCP, SEP, ESMF	Internal Bappenas	Workshop, formal and informal meetings	
	Line ministries and agencies	Workshop, formal and informal meetings, seminars both bilaterally and multilaterally.	
	Cities	Workshops, formal and informal meetings.	
	NGO/CSO	Workshop, formal and informal meetings.	
	Development Partners	Workshop, formal and informal meetings	
<b>Implementation stage:</b> Public consultations during implementation stage are embedded within project activities, hence the schedule for the stakeholder engagement activities will follow the different phases of the project's implementation timeline.			Bappenas
- Project implementation progress. - ESMF implementation - ESCP and SEP implementation - FGRM implementation	Internal Bappenas	Meeting, email, phone, WhatsApp messenger, exchange of official letters.	
	Line ministries and agencies	Meeting, email, phone, WhatsApp messenger, exchange of official letters.	
	Cities	Meeting, workshops, email, phone, WhatsApp messenger, press release in mass media, official website, and official social media platform.	
	NGO/CSO	Meeting, email, official website, and official media platform.	
	Development Partners	Meeting, email, official website, and official media platform.	
	Local communities	Meeting (online and face to face; depends on the needs and situation), email, phone, WhatsApp messenger, exchange of official letters.	Local/ participating cities government.

#### 6.4. Engagement with vulnerable groups

The active participation of a wide range of stakeholders, both at national and city levels, will ensure that the Project activities will incorporate the views of vulnerable groups. Stakeholders' consultation and information disclosure approaches for vulnerable groups, need to be carefully assessed to promote greater participation and social inclusion.

BAPPENAS, as the executing agency, should use meaningful consultations as a two-way dialogue to gather feedback and inputs from all affected and interested stakeholders, including vulnerable communities. Various alternative engagement approaches to reach vulnerable groups will be

considered, including the provisions of information in accessible language(s) and sign language if relevant, peer discussions, use of media to aid information dissemination, community outreach and the use of trusted representatives or organizations to convey messages and facilitate dialogue based on their needs. BAPPENAS will have to establish a mechanism including through a webpage to capture public feedback and inputs from various consultation processes into their strategic planning and implementation activities.

Effective consultation with vulnerable groups will be based on the following principles:

- ? Begin early in the process and continue on an ongoing basis during project implementation;
- ? Involve members of communities, including those vulnerable households and their recognized representative bodies and organizations in good faith;
- ? Capture the views and concerns of men, women and vulnerable community segments including the elderly, youth, displaced persons, children, people with special needs, etc., about impacts, mitigation mechanisms, and benefits where appropriate. If necessary, separate forums or engagement need to be conducted based on their preferences;
- ? Supports active and inclusive engagement with project-affected parties, including ensuring the involvement of community members, including those vulnerable and their recognized representative bodies and organizations in good faith;
- ? Be based upon the prior disclosure and dissemination/socialization of relevant, transparent, objective,
- ? meaningful, and easily accessible information that is in a culturally appropriate language(s) and format and is understandable for target communities. In designing consultation methods and use of media,
- ? Ensure that the consultation processes are free of external manipulation, interference, coercion and/or intimidation. The consultations? design should create enabling environments for meaningful participation, where applicable. In addition to the language(s) and media used, the timing, venues, participation composition need to be carefully thought through to ensure everyone could express their views without repercussions; and
- ? Be documented.

## **6. Resources and Responsibilities for implementing stakeholder engagement activities**

### ***4.1. Resources***

To ensure the Stakeholder Engagement Plan for the Project is implemented as planned and achieve its intended purpose (as described from Section 3.3. - Proposed strategy for consultation, and Section 3.5 ?Timelines), Bappenas will ensure sources are secured and readily available to conduct the planned consultation meetings. Funding should be available to cover additional consultations meetings that may be required, but not initially planned, in this SEP.

The Bank will provide training to the Bappenas staff who will directly conduct consultations to organize, deliver, and record the engagement activities in compliance with the ESF requirements. The Project will allocate budget for SEP implementation. Relevant budget lines will be incorporated in the Annual Work Plan and Budget.

Budget requirements will be confirmed with Bappenas during project appraisal.

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[1] Appropriate adjustments in COVID pandemic (virtual meeting, phone calls, etc)

**Select what role civil society will play in the project:**



**Consulted only; Yes**

**Member of Advisory Body; Contractor;**

**Co-financier;**

**Member of project steering committee or equivalent decision-making body;**

**Executor or co-executor;**

**Other (Please explain)**

### **3. Gender Equality and Women's Empowerment**

**Provide the gender analysis or equivalent socio-economic assesment.**

1. Progress on key human development indicators in Indonesia has been accompanied by an achievement of gender parity in health and education, but key challenges remain in gender inclusiveness in the context of urban development. The share of women living in urban areas in Indonesia increased sharply from 30% in 1990 to 50% in 2011[1], and the female human capital index (HCI) is higher (0.55) than the male HCI (0.52). However, Indonesia's female labor force participation (FLFP) has remained stagnant at around 51 % for the last two decades and is significantly lower than participation rates for males (86%) and lower than the FLFP rates in other East Asian countries.[2]<sup>2</sup> City planning and infrastructure design?which has historically not considered how women and men experience urban areas differently due to their gender-based roles and responsibilities?contributes to this phenomenon. Badly congested roads in Indonesia's major cities, particularly during peak commuting times, and large urban transport or commuting costs increase the time it takes women, who are traditionally the primary caregivers, to perform daily activities outside the home and contribute to lower FLFP.[3]<sup>3</sup> Access to jobs is further constrained given poor transport connectivity of low-income and informal settlements at the peripheries of large cities. Lack of proper lighting and poor design of the settlements increases the exposure of women to crime. Women and children are also more vulnerable to death and injuries from climate-related disasters such as floods due to comparatively low levels of flood risk awareness and preparedness to respond. Urban planning offers key opportunities to close these gender gaps. By including women in the spatial design of cities, city planners can ensure that urbanization is safe and empowering for them. Policies and investments that enhance women's access to public spaces, services and employment opportunities should also be prioritized by city planners to ensure that women are able to share the benefits from urban development.

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2. In addition to urban planning, circular economy also offers new opportunities for female economic empowerment. A circular economy approach increases employment in areas such as repair, remanufacturing, and recycling. These activities benefit small and medium enterprises (SMEs) and the informal economy sector that employ a large number of women. Therefore, transition to a circular economy can play an important role in female economic empowerment by enhancing their participation in the green economy. Many of these initiatives already exist in Indonesia. For example, urban women are finding jobs in local waste ?upcycling? initiatives in Jakarta, which have been found to provide participants with new skills and improve their income sources.

3. The project will promote gender inclusiveness in urban development through gender-sensitive urban planning and the circular economy approach. The project will also include specific gender analyses as inputs to enhance how women and men would benefit equitably from the proposed planning, sub-project designs and identification of financing models, and to ensure that the gender gaps are reduced. Attention will be paid to the roles and responsibilities of women and men across sectors, their rights and entitlements to relevant resources, their assets and networks, and the potential avenues for women?s representation and leadership in governance at local and national levels. The gender inclusiveness will be assessed through the PDO-level indicator on the number of area/corridor level development plans which are gender-inclusive, defined as ones which incorporate universal accessibility principles.

The specific gender gaps that the project aims to address are as follows:

- ? Low and stagnant female labor force participation (FLFP) rate compared to other East Asian countries.
- ? Congested traffic and high commuting costs consume the time available for women to carry out daily activities outside the home.
- ? Women?s access to jobs is limited given poor transport connectivity of low-income and informal settlements at the peripheries of large cities.
- ? Lack of proper lighting and poor design of the settlements increases the exposure of women to crime.
- Vulnerability to death and injuries from climate-related disasters such as floods due to comparatively low levels of flood risk awareness and response preparedness.

[2] World Bank. 2020a.

[3] World Bank. 2019a.

**Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?**

Yes

**Closing gender gaps in access to and control over natural resources;**

**Improving women's participation and decision making** Yes

**Generating socio-economic benefits or services or women** Yes

**Does the project's results framework or logical framework include gender-sensitive indicators?**

Yes

#### **4. Private sector engagement**

**Elaborate on the private sector's engagement in the project, if any.**

Component 3 (piloting innovative financing approaches and instruments) provides support for identification of alternative and innovative financing modalities through a combination of loans, grants, and private sector involvement, such as public-private partnership (PPP) for projects within the priority corridors and areas identified in Component 2 (catalyzing integrated investment in priority areas). It will support the capacity building of local governments to access alternative sources of finance for environmentally friendly financial investments beyond national transfers. Cities will receive support to identify detailed criteria and indicators for selecting suitable projects for private sector finance, and to identify and design of appropriate land-based, mechanisms, such as land value capture (LVC) instruments, marine-based mechanisms, such as municipal blue bonds, as well as grants applicable to the context of secondary cities in Indonesia.

#### **5. Environmental and Social Safeguard (ESS) Risks**

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

**Overall Project/Program Risk Classification\***

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			
<b>Measures to address identified risks and impacts</b> Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.			

1. **Environmental risk.** The environmental risk is classified as substantial considering the significance of project-related environmental risks and impacts as well as the limited capacity of the Executing Agency. Although the project might not have direct adverse environmental and social risks and impacts, the potential downstream environmental and social implications may arise when the activities supported under this project get implemented in the future. The potential environmental impacts of development planning documents and capital investment plans are indirect and largely positive, as the project will strengthen environmental considerations related to biodiversity and climate change in the planning process; improve the sustainability aspect of planning and physical organization of the participating cities; raise community awareness; and inspire actions at national and regional levels to advance the urban sustainability agenda. The potential indirect adverse environmental impacts will likely occur during the implementation of these plans through future programs and projects. The potential adverse impacts are minor and associated with unintended change of land uses and ownership, urban sprawl to environmentally significant areas, as well as adverse impacts from future development of investment specified in the plans. Additionally, the preparation of the priority investment sub-projects is expected to catalyze downstream investments and may result in significant environmental risks mainly related to site preparation and construction activities. These sub-projects are expected to take place in the participating cities, ranging from large/metropolitan cities to smaller cities. Baseline conditions of the larger/metropolitan cities are dominated by built-up areas, and thus expected to be non-environmentally sensitive and the impact to biodiversity is unlikely. However, the smaller cities such as Palembang and Bitung have major protected areas, potentially including critical habitats and areas with environmental significance. The environmental risks associated with downstream investment sub-projects include: environmental degradations due to land clearance and air, soil, and water pollution; inefficient use of energy and water resources depletion; waste generation; occupational health and safety risks; noise and vibration impacts; disturbances to biodiversity and natural habitats when the investments are located in the vicinity of critical habitats and environmentally sensitive areas; and community health and safety risks related to construction activities and from the occurrence of infectious pathogens and habitat for mosquitoes that come with increased biodiversity. This risk from mosquitoes, however, will also be balanced by a consideration that the public health risks posed by mosquitos as infectious disease vectors and other zoonotic transmissions are more prevalent in areas of disturbed ecosystems, and the prevention of habitat destruction and degradation and the conservation of intact, undisturbed, biodiverse ecosystems can be a strong mitigating factor to public health risks.[1] These risks are predicted to be medium in

magnitude, site specific, temporary, and predictable. There is also a low probability of serious adverse effects to human health and/or the environment. The project's support to identify innovative financing approaches for the sub-projects prepared under Component 2 is not expected to result in additional adverse impacts from those identified above. The overall capacity of the PIUs on environmental and social risk management still needs strengthening, since they have limited experience in implementing complex urban development planning efforts and preparing designs of sub-projects; however, this can be readily addressed through implementation support. To maximize positive benefits and minimize any risk of unintended adverse consequences, the project activities will require diligent supervision and quality control.

**2. Social risk.** The social risk rating is assessed as substantial, acknowledging that the project as a TA will not create direct adverse social impacts, but taking into account the potential downstream impacts of the future implementation of sub-projects resulting from the TA. Potential negative social downstream impacts may include physical and economic displacement for safety reasons, and resettlement in disaster prone areas, from protected areas or in areas where the government is involved in land consolidation for future infrastructure development plans. Other negative social downstream impacts may include labor influx, community health and safety risks related to the construction activities, including sexual exploitation and abuse/sexual harassment (SEA/SH) and the possible occurrence of infectious pathogens and habitat for mosquitos that come with the increased biodiversity in the city. Apart from activities under Component 1 (planning), Component 2 (preparation of sub-projects), and Component 3 (identification of financing modalities), the project will also support stakeholder engagement in a series of policy dialogue and knowledge exchange events to support environment-friendly behavioral change of the public. These dialogue and knowledge exchange events may exclude vulnerable and marginalized groups in the process, resulting in weak stakeholder engagement or feedback mechanisms for the proposed future investments. The project's SEA/SH is rated low considering the types of activities under the project do not involve massive workers mobilization. All workers will be required to sign a code of conduct to prevent the occurrence of the SEA/SH incident as stated in the Labor Management Procedure. The Strategic Environmental and Social Assessment (SESA/KLHS) will act as the main environmental and social risk assessment instrument for the planning process. In Indonesia's country system, KLHS (Kajian Lingkungan Hidup Strategis) is focusing on regional environmental and social impact assessment and will assess biodiversity aspects, climate change resilience, social aspects, and environmental carrying capacity that feeds information to urban plans. Additionally, the project will finance preparation of E&S assessments (AMDAL/UKL-UPL/SPPL and/or biodiversity reports) as part of project design, which will enable application of mitigation measures to prevent and/or minimize the potential downstream impacts of the priority investment sub-projects.

**3.** An Environmental and Social Management Framework (ESMF) has been prepared prior to project appraisal to further support the management of the potential environment and social risks and the project's impacts. The ESMF outlines the principles and relevant policies in managing environmental and social impacts, the applicability or relevance of the World Bank's Environmental and

Social Framework (ESF) and detailed procedures, institutional arrangements, implementation timeline, capacity building plans, and budget to screen, assess, prepare and implement safeguards instruments to ensure that the preparation and implementation of project activities do not cause, or can minimize adverse environmental and social impacts. The ESMF will act as a guiding tool to identify the environmental and social aspects that need to be tackled, and propose mitigation mechanisms where needed or identify 'greening' opportunities, all based on the type of activities supported and the likely magnitude of potential direct and indirect impacts. The screening tool in ESMF will serve to identify eligible activities and define E&S due diligence, which would then be mainstreamed into the project's deliverables where they would be detailed and customized for the specific locations and issues addressed by the project. The ESMF also provides guidance on applying SESA principles for the preparation of development planning documents to ensure that environmental and social objectives are integrated from earliest and carried through subsequent design in implementation phases. For preparation of the prioritized sub-projects under Component 2, the ESMF is focusing on preparation of TORs for FS, DED, Urban Designs, E&S assessments (AMDAL/UKL-UPL/SPPL and biodiversity reports) to ensure that relevant environmental and social issues are considered in the preparation of investment sub-projects, in a manner that is consistent with the ESF. Examples of the types of supported future investments include green infrastructures, water sensitive urban designs, solutions for energy efficiencies in public facilities, integrated solid waste management, coastal and riverfront revitalization, rehabilitation of drainage systems, and sub-projects linked with TOD. The ESMF will also promote transparency through stakeholder consultation on the ESMF as well as on the preparation of development planning documents and sub-project preparation documents.

**4. Citizen engagement.** Integrated urban planning and investments require active engagement of citizens to identify and incorporate residents' needs and priorities. The project will engage in active consultations with stakeholders at the city level to identify city objectives and demand of city residents with regards to environmental and climate change issues, so that these considerations are well-captured in integrated urban planning and prioritization of capital investments accordingly. Project results will also be disseminated to project stakeholders through policy dialogue, knowledge exchange events, and public consultations. Citizen engagement will be assessed by the intermediate indicator on 'number of sub-projects prepared with adequate citizen engagement (50% female participation rate should be met) (Number)' (See the Result Framework).

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[1] Loaiza, J. R., Dutari, L. C., Rovira, J. R., Sanjur, O. I., Laporta, G. Z., Pecor, J., Foley, D. H., Eastwood, G., Kramer, L. D., Radtke, M., & Pongsiri, M. (2017). Disturbance and mosquito diversity in the lowland tropical rainforest of central Panama. *Scientific Reports*, 7(1), 7248. <https://doi.org/10.1038/s41598-017-07476-2>

#### **Supporting Documents**

Upload available ESS supporting documents.

Title	Module	Submitted
4-2_Environmental and Social Commitment Plan (ESCP)	CEO Endorsement ESS	
4-1_Environmental and Social Review Summary (ESRS)	CEO Endorsement ESS	

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

**Results Framework**

**COUNTRY:** Indonesia  
**Global Environment Facility Indonesia Sustainable Cities Impact Project**

**Project Development Objectives(s)**

To integrate biodiversity and climate-smart management in the preparation of development plans and priority capital investments of participating cities, including financing modalities.

**Project Development Objective Indicators**

RESULT\_FRAME\_TBL\_PDO

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Biodiversity and climate-smart management integrated in development plans							
Number of area/ corridor level development plans formulated that integrate biodiversity and/or climate-smart management approaches (Number)		0.00	0.00	0.00	1.00	3.00	5.00
Biodiversity and climate-smart management integrated in preparation of priority investments							
Number of area/ corridor level capital investment prioritization frameworks formulated that integrate biodiversity and/or climate-smart management approaches (Number)		0.00	0.00	0.00	1.00	3.00	5.00
Number of sub-projects prepared that integrate biodiversity and/or climate-smart management approaches (Number)		0.00	0.00	0.00	3.00	6.00	10.00

PDO Table SPACE



### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1 Integrated spatial planning and urban management							
Number of project cities with city-specific priority areas/ corridors for Component 1 identified and agreed (Number)		0.00	0.00	2.00	5.00	5.00	5.00
Number of technical analysis reports formulated as inputs into development plans (Number)		0.00	0.00	0.00	3.00	6.00	10.00
Component 2 Catalyzing integrated investment in priority areas							
Number of project cities with city-specific sub-projects for Component 2 identified and agreed (Number)		0.00	0.00	2.00	5.00	5.00	5.00
Number of technical design documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects (Number)		0.00	0.00	0.00	3.00	4.00	6.00
Number of environmental assessment documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects (Number)		0.00	0.00	0.00	2.00	3.00	4.00
Number of sub-projects prepared with adequate citizen engagement (% female participation) (Number)		0.00	0.00	0.00	3.00	6.00	10.00
Component 3 Piloting innovative financing approaches and instruments							

RESULT\_FRAME\_TBL\_1  
O

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Number of roadmaps/ guidelines of innovative environmental financing instruments formulated (Number)		0.00	0.00	0.00	2.00	5.00	8.00
Number of credit rating and financial management analysis reports formulated (Number)		0.00	0.00	1.00	2.00	3.00	5.00
Number of technical trainings delivered on financing and creditworthiness (Number)		0.00	1.00	2.00	3.00	4.00	5.00
<b>Component 4 Policy dialogue and knowledge management</b>							
Number of public consultations held on biodiversity and/or climate- smart management approaches (Number)		0.00	1.00	2.00	3.00	4.00	5.00
Number of project cities that have shared their good practices and lessons learned with the SCIP Global Program (Number)		0.00	0.00	0.00	1.00	3.00	5.00
Number of project cities with multiple city departments exposed to biodiversity and/or climate-smart management approaches in planning, preparing and financing of projects (Number)		0.00	0.00	2.00	5.00	5.00	5.00

IO Table SPACE

UL Table SPACE

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Data Source	Methodology for Data Collection	Responsibility for Data Collection
Number of area/corridor level development plans formulated that integrate biodiversity and/or climate-smart management approaches	Number of area/corridor level development plans formulated that adopt the gender-inclusive and evidence-based integrated planning approach mainstreamed in NUDP and replicated in non-NUDP cities (including incorporation of universal accessibility principles), with added value of attention to biodiversity and/or climate-smart management approaches. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of area/corridor level capital investment prioritization frameworks formulated that integrate biodiversity and/or climate-smart management approaches	Number of area/corridor level capital investment prioritization frameworks formulated with a medium-term horizon mainstreamed in NUDP and replicated in non-NUDP cities, with added value of integrating biodiversity and/or climate-smart management approaches. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS

Number of sub-projects prepared that integrate biodiversity and/or climate-smart management approaches	Number of sub-projects prepared (identified, designed, financing options identified) that integrate biodiversity and/or climate-smart management approaches in their design, informed by the area/ corridor level development plans and capital investment frameworks formulated in this project. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
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ME PDO Table SPACE

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	Definition/Description	Frequen	Datasource	Methodolog for Data Collection	Responsibility for Data Collect
Number of project cities with city-specific priority areas/ corridors for Component 1 identified and agreed	Number of project cities that have discussed, identified and agreed on the city-specific areas/ corridors that will be supported by Component 1	Annual	BAPPENAS	Monitoring	BAPPENAS

Number of technical analysis reports formulated as inputs into development plans	Number of technical analysis reports formulated that serve as inputs to area/ corridor level plans that utilize the integrated planning approach mainstreamed in NUDP and replicated in non-NUDP cities, with added value of attention to environmental and climate considerations. Examples of such analytical inputs include community level planning tools and approaches, urban biodiversity self-assessments, Strategic Environmental Assessments, climate-smart capital investment plans etc. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of project cities with city-specific sub-projects for Component 2 identified and agreed	Number of project cities that have discussed, identified and agreed on the city-specific sub-projects that will be supported by Component 2	Annual	BAPPENAS	Monitoring	BAPPENAS

Number of technical design documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects	Number of technical design documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects. Examples of these documents are Feasibility Studies, Detailed Engineering Designs, Traffic Reports, etc. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of environmental assessment documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects	Number of environmental assessment documents formulated that integrate biodiversity and/or climate-smart management approaches in sub-projects. Examples of these documents are Environmental Impact Assessment (EIA, project -level biodiversity impact assessment etc.) Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of sub-projects prepared with adequate citizen engagement (% female participation)	Number of sub-projects prepared that have been consulted with the neighborhood and surrounding communities, including beneficiaries of the sub-project. 50% female participation rate should be met. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS

Number of roadmaps/ guidelines of innovative environmental financing instruments formulated	Number of roadmaps and/or guidelines on the proposed financing instruments formulated for sub-investments. Examples of financing instruments are municipal blue loans, marine based financing instruments, land value capture business model etc. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of credit rating and financial management analysis reports formulated	<p>Number of credit rating and financial management analysis reports formulated for select project cities.</p> <p>Note: Cities will receive credit rating and extended financial management assessment for relevant credit rating agencies. The rating process will follow international best practice. Some of these cities (e.g. Jakarta, Semarang, Balikpapan) have previously received credit rating through the Bank support. Target values are cumulative.</p>	Annual	BAPPENAS	Monitoring	BAPPENAS

Number of technical trainings delivered on financing and creditworthiness	Number of technical capacity building trainings delivered on different alternative/innovative financing and creditworthiness (e.g. revenue, expenditure, financing, assets management etc.). Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of public consultations held on biodiversity and/or climate-smart management approaches	Number of public consultations held on how to integrate biodiversity and/or climate-smart management approaches in development planning, project preparation and financing.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of project cities that have shared their good practices and lessons learned with the SCIP Global Program	Number of project cities that have shared their good practices and lessons learned with the SCIP Global Program under GEF, through workshops, technical sessions, knowledge exchange events, etc. Target values are cumulative.	Annual	BAPPENAS	Monitoring	BAPPENAS
Number of project cities with multiple city departments exposed to biodiversity and/or climate-smart management approaches in planning, preparing and financing of projects	Number of project cities with multiple city departments (more than three) exposed to biodiversity and climate-smart management approaches in planning, preparing and financing of projects	Annual	BAPPENAS	Monitoring	BAPPENAS





**ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).**

1. No comments specific to the Indonesia child project were received from GEF Council or GEF STAP at the time of PFD approval.

2. Global Environment Facility Indonesia Sustainable Cities Impact Project (GEF-SCIP) - responses to comments received from the GEF Secretariat at QER stage.

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
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Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
1.	<p><b>PDO</b></p> <p>1. Project objective still reads/intends more of environmental and climate safeguard. Particularly the sentence ???to integrate environmental and climate change considerations???.? doesn't imply that environmental and climate benefits are the key outcomes of the project. Same goes with the indicators also. The project will be building on a strong baseline of Indonesian cities which are showing strong commitment for sustainability (a key criteria for selection of the project). The project should reflect higher level and transformative ambition to support low carbon (or towards net zero), resource efficient and inclusive cities, rather than simply integrating environmental considerations.</p> <p>Strongly suggest to look at the concept note which articulates the project objective and outcomes much better (attached).</p>	<p>Thank you. It is not the project's intention to work on safeguard issues though for any World Bank project, this consideration is important to ensure the "do no harm" principle.</p> <p>The project aims to catalyze biodiversity conservation and climate-positive transformation in urban planning and investments. The project is designed to impact upstream decision-making by enabling city planners to use an expanded set of tools, analytics and assessments that result in corridor/area-based plans that improve biodiversity and climate change outcomes of the participating cities. In addition, with project support, capital investment plans will also incorporate climate and environmental principles to assess whether the projects being proposed are affected by risks, and whether they will contribute to climate and biodiversity benefits. Based on these assessments, the project will support cities identify a mix of investments in physical infrastructure and nature-based solutions to deliver the biodiversity and climate benefits for cities. All of these go beyond a safeguard approach.</p>	<p>Based on previous discussions, the guidance from QER and Decision Meeting, and a follow up discussion with the GEF team, we have formulated the following overarching objective and specific PDO:</p> <p>The project will contribute to fostering transformational change in Indonesian cities through evidence-based planning linked to prioritized capital investments for climate-smart development and biodiversity conservation that deliver Global Environmental Benefits. Within this overarching goal, the specific Project Development Objective (PDO) is to <i>integrate biodiversity and climate-smart management in the preparation of development plans and priority capital investments of participating cities, including financing modalities.</i></p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
2.	<p><b>PDO</b></p> <p>2. PDO-level indicators should include <i>biodiversity</i> conservation results (just as they include climate change results)- please recall GEF projects must contribute directly to the achievement of CBD goals and commitments.</p>	<p>The Team will propose changing the PDO level indicator formulation from "environmental and climate change considerations" to "biodiversity and climate change considerations" in the QER.</p>	<p>The contribution to the biodiversity GEB is fully captured in the new PDO.</p>
3.	<p>Rationale for the integrate approach: Further elaboration on ?integration?, particularly for Components 1 and 2, is requested. For example, how and in what ways are these integrated? What is the rationale behind those integrations? How does that integration benefit the overall project outcomes and the objective?</p>	<p>Thank you for the comment. Paras 14-17 in the PAD elaborate how the current urban planning system in Indonesia remains inadequate to integrate environmental and climate change goals in practice. To address the challenge, the project will support participating cities to adopt integrated planning approaches. In this context, ?integration? covers both vertical integration under Component 1, whereby corridor/area-based plans and capital investment framework at higher levels help guide the selection of sub-projects at more specific sites, and horizontal integration under Component 2, whereby cities integrate biodiversity-boosting and climate smart designs in sub-projects investment across sectors (e.g. waste management, urban biodiversity, transport etc.). This is explained in para. 27 of the PAD.</p>	<p>Paragraphs 15-18 have been updated to provide a clear rationale why the limited use of integrated planning approaches currently contributes to poor biodiversity and climate outcomes in Indonesian cities. In addition, Paragraph 19 has been strengthened to clearly explain the vertical and horizontal integration approaches supported by the project.</p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
4.	<p>Feasibility Study and GEBs: It seems the support is still primarily on planning and developing of project pipeline. Co-financing and baseline are not elaborated. How will the project ensure <i>outcomes</i> and <i>results</i> including GEBs, in this context?</p> <p>GEBs are mentioned in the draft; however, the process to generate these GEBs, in particular, the link between outputs (e.g., FSs and plans) and results/GEBs is not clear. How does the outputs contribute to the realization of GEBs? What will be done in the project to ensure that outputs will result in tangible GEBs? How likely are the FSs and plans developed in the projects going to be actually taken-up and implemented? Any measures to increase the probability of the implementation?</p>	<p>The Team understands GEF's transformative vision to support longer-term environment goals (which is articulated in the Theory of Change under 'impact' in the PAD). We share this ambition and are in the process of securing the co-financing letters, which will be available by Decision Meeting stage. At the same time, the legal team has cautioned the task team to be cognizant of the legal implication including language in the PAD on actualization of investments.</p> <p>The process of generating GEBs will be further elaborated in the next iteration of the GEF Datasheet by the Decision Meeting stage as the calculations are ongoing. Please see point 11 below for further clarification.</p>	<p>The baseline information for the five project cities has been elaborated in the Annex 3 on City Profiles.</p> <p>The Team has also secured two co-financing letters: 1) from PT. SMI for the Regional Infrastructure Development Fund (RIDF) for an amount of US\$ 150 million (US\$ 400 million undisbursed of which US\$ 250 is committed as of August 10, 2021) and 2) from the National Urban Development Project (NUDP) for an amount of US\$ 12.3 million, wherein US\$ 10 million is a World Bank IBRD loan (a portion of the entire IBRD project loan amount of US\$ 49.6 million) and US\$ 2.3 million (equivalent of IDR 32.4 billion) is in-kind counterpart financing from the Government of Indonesia. Draft letters for both projects are being secured, and the letters will be provided as part of the CEO Endorsement Package.</p> <p>The project will contribute to the realization of GEBs through its influence on planning (Component 1) and on design of sub-projects (Component 2), which will help cities address the bottleneck in accessing financing (Component 3). While the component 2 primarily focuses on sub-projects within the priority corridors and areas identified in Component 1, it also aims to support no-regret investments identified within the priority investment list of the project cities that could be readily influenced to enhance biodiversity and climate-smart management aspects, thus magnifying the project impact in generating GEBs. Following the QER, the team has conducted an</p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
5.	<p>Component 2:</p> <p>5. C-2 has five project areas, one of which is deemed 'Urban Biodiversity' that seems to mix 'biodiversity within the city' with issues of urban sprawl and extensification of development pushing into biodiverse ecosystems. Recommend reframing to more wholeheartedly acknowledging and planning for (through all project Components and the criteria-1 score 3 for selection of solutions) the critical need to halt the destruction of urban sprawl and unsustainable development patterns into biodiverse ecosystems, rather than just BD 'in the city'. The current TOC of the project lists this is a key 'problem' the project will attempt to address-but it should be more robustly featured in the project approach and solutions.</p>	<p>This is an excellent suggestion. We will improve description of the project approach and solutions in a way that capture more robustly the distinction between biodiversity with the city, and urban sprawl and extensification of development pushing into biodiverse ecosystems.</p>	<p>We have integrated this suggestion in many places in the PAD.</p> <p>Paragraph 19 was boosted to emphasize how the project's integrated approaches in all Components are designed to align planning (Component 1) and investment solutions across sectors (Components 2 and 3) to halt the destruction of urban sprawl and unsustainable development patterns into biodiverse ecosystems, while maximizing the potential for GHG emission reductions from urban environmental management. Paragraph 30 has also been boosted to make a case that area-based and corridor-based planning supported by Component 1 has a very important role in enabling cities to maximize the potential of urban planning and spatial prioritization of investments to control urban sprawl to deliver biodiversity outcomes for citizens.</p> <p>In addition, the list of potential approaches and solutions for Urban Biodiversity to be supported by the project, as well as the set of six selection criteria for sub-projects (see Annex 2), also contain integrated approaches that address the impacts on urban sprawl on sensitive ecosystems both with and beyond city boundaries.</p> <p>Finally, this feedback also been incorporated by the team in the GEB calculations. Paragraph 8 of the PAD has been boosted to explain that urban sprawl also indirectly contributes to land based GHG emissions through its impact on the loss of natural land cover within and beyond the city boundaries, which in turn</p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
6.	<p>Component 2:</p> <p>6. C2 pg 48 has a list of <b>Initial Assessment of Needs for GEF-SCIP Cities</b> in the urban biodiversity area, but the lists in the table of 'needs' are actually more like context points, rather than needs that would provide opportunities for programming. In addition, a number of the issues noted aren't well aligned with biodiversity GEBs (including issue of agricultural subsidence, floods and tidal floods etc) please revise.</p>	<p>Agreed, we will revisit. BAPPENAS has finally committed to meeting with the cities at the end of July to initiate discussions. This is needed to refine such an assessment further, and likely further meetings will be needed.</p>	<p>The Initial Assessment of Needs for GEF-SCIP Cities, has been revised to more accurately reflect the assessment nature, which is <i>the initial context assessment for GEF-SCIP Cities in relation to the five thematic themes of investments covered under the project's Component 2: circular economy and waste management, stormwater and wastewater management, energy efficiency and renewable energy, sustainable transport and urban biodiversity</i> (see Annex 2).</p> <p>While the project primarily focuses on GEBs on biodiversity and climate change mitigation, the project design is also informed by the need to improve climate resilience of Indonesian cities, particularly by improving spatial prioritization of infrastructure and integrating gray infrastructure with nature-based solutions. The issue of subsidence, floods and tidal floods is included as a relevant context to the potential interventions on stormwater and wastewater management, which makes use of nature-based solutions to improve cities' climate resilience. These issues are also relevant to the improved spatial prioritization of urban infrastructure to minimize risks from climate-related hazards. (See paragraph 10)</p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
7.	<p>Core Indicator 11:</p> <p>Direct beneficiaries are individuals who receive <i>targeted</i> support that is <i>intentional and direct</i> assistance from a given GEF intervention and/or to individuals who use the resources that the project maintains or enhances. More explanation is needed in this regard.</p>	<p>The estimated beneficiary number is based on a rationale that, by supporting integrated city planning (Component 1) that enhances environmental, biodiversity, and climate change (GHG reduction) outcomes--which are public goods, the entire city populations of the 5 project cities directly benefit from the project. Component 1 will benefit the entire city population, regardless of the interventions confirmed downstream for Components 2 and 3. Components 2 and 3 will benefit directly a smaller group of beneficiaries which are subsets of the same broader city populations that benefit from the planning interventions under Component 1.</p>	<p>The explanation has been added to the GEF datasheet. The number of beneficiaries is reported in paragraph 38 in the PAD.</p>



Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
8.	<p>GEF core indicator targets: Since the EOI concept phase we have seen a significant decline in biodiversity core indicator targets from over 55k down to 40k and now in the <b>CEO endorsement request 19k hectares</b>. In March 2020 we provided direct feedback and request regarding this issue (see below). As it stands at CEO endorsement request this is an incredibly low target given the significant GEF and co-finance resources being invested. Please:</p> <p>1.) Clearly explain and justify this significant contraction in BD targets for the project; and</p> <p>2.) Understanding that GEF core indicators are only one target, please articulate the expected global environment benefits for biodiversity of this investment and how they will be captured if not through the GEF core indicator targets themselves (given the low targets for this project). Please also refer to comment on explicitly including biodiversity in the PDO-level indicators as biodiversity and environmental outcomes are not synonymous.</p> <p>Trajectory of BD targets against GEF core indicators:</p> <ul style="list-style-type: none"> <li>o Project EOI Concept: BD hectare target <b>55,851 hectares</b> (indicators 4 &amp; 5).</li> <li>o March 2020 draft comment: <b>40,000 hectare target</b> we provided the following feedback regarding core indicator targets: The global biodiversity benefits need to be explicitly stated and ambitious targets set. 40,000 hectares for (\$7 million GEF and over \$400 million co-finance) seems like a very low return on investment/high cost per hectare. This needs to be addressed and rectified during the current design and planning phase and</li> </ul>	<p>The calculation of GEBs is still on-going. The 19,992 hectares (Indicators 4 &amp; 5) in the current data sheet only comes from interventions under Component 1 (planning) but have not yet incorporated the additional figures that could come from Component 2 (design of sub-projects). As more specific inventions on biodiversity and climate change under Component 2 are identified with further consultation with the five project cities, we will update the GEB numbers.</p> <p>This approach is consistent with the calculation approach of the Rwanda project which states that ?While it is not possible to provide estimates of these emission reductions now, using the GHG accounting framework which is developed as part of this project, these emissions will be reported at Mid-Term Review and Project Completion.?</p>	<p>The GEB numbers have recalculated, based on an improved assumption of the impact of the project?s contribution to controlling urban sprawl on the preservation and restoration of green spaces and marine habitats (mangroves) in and around the project cities. The re-calculation has also been informed by 1) the first consultation meeting with the five participating cities on July 22, during which city representatives provide initial inputs on city preferences for potential sub-projects under Component 2; and by 2) collection and analysis of data on current land cover and projected land cover changes in the five cities for the calculations of GEBs on biodiversity (e.g. hectares under improved management), and reduced GHG emissions (which can be associated to the avoided loss of green spaces due to improved urban planning that controls urban sprawl).</p> <p>With this approach, the GEB numbers have been revised, showing significant increase from the previous calculation. The numbers are reported in the GEF datasheet.</p>

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
9.	Pollution: Draft emphasizes reducing negative impacts on biodiversity, GHGs as well as <i>pollution</i> . Please provide GEBs for Core Indicators 9 and/or 10 if applicable.	Thanks for the suggestion. We will look into these and could add the Core Indicators 9 and/or 10 based on a more concrete selection of sub-projects under Component 2 with the project cities.	We looked into these indicators and consulted with BAPPENAS. We don't think these indicators, which focus on chemical pollutions, are applicable from the perspective of project design.
10.	TAs: All four components are all TAs. Investments are needed to create actual impacts on the ground.	The Indonesia GEF-SCIP is a TA grant to the Government of Indonesia. Infrastructure construction is not financed under this TA grant. However, the design of the subprojects in Component 2 is strategically done in a manner that will lead to investments downstream. This will be achieved through the financing of Feasibility Studies (FS), sectoral readiness criteria, Detailed Engineering Designs (DED), Urban Designs, Environmental and Social Impact Assessments (ESIA), project-level biodiversity reports etc. for priority subprojects identified in this project. Financing for FS/DED and related project requirements is one of the biggest bottlenecks in creating sustainable, resilient urban investments in Indonesia? a gap that RIFD project and the government counterpart has consistently grappled with. The project aims to de-bottleneck this key constraint for local governments.	As discussed in the QER and the Decision Meeting, the project's role in removing a major bottleneck for cities to access financing is critical in the context of Indonesia. We have added more explanation on this in paragraph 20.  In addition, the co-financing letters will be provided as part of the CEO Endorsement Package.

Item	GEF QER Comments (July 13, 2021)	Team response during QER	CEO Endorsement Stage - Updates made to the PAD and/or other actions
11.	Co-financing: Co-financing need to be provided with evidence. Aspirational co-financing ratio in GEF-7 is 1:7.	Yes, the team is aware and will elaborate on co-financing aspects by the Decision Meeting (scheduled currently for August 19), along with the supporting co-financing letters secured and amount calculated and agreed with relevant parties.	Indicated in response to Items #4 and #10
12.	Innovation etc.:  Project should elaborate the innovation, scaling up and sustainability aspects; and describe more on private sector engagement.	Noted.	Paragraph 56 has been added to explain how the project's sustainability and scalability are enhanced by its innovation and private sector engagement.
13.	COVID:  Indonesia is one of the countries which have been hard hit by the COVID and suffering significantly today. As such, further elaboration is required on measures to ensure safety as well as smooth implementation of the project in this regard.	Noted.	Paragraph 80 has been strengthened to provide a more comprehensive assessment of COVID risk. The project's COVID-related risk, categorized as <i>moderate</i> , is the risk categorized at the time of implementation, having factored in mitigation measures.  Given that the COVID situation in Indonesia is fluid, adaptive risk management will be key for smooth project implementation. Innovative measures such as virtual supervision missions and virtual appraisal, and reliance on locally available resources for monitoring and supervision, will also be implemented as needed to ensure COVID safety as well as smooth project implementation.

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).**  
**(Provide detailed funding amount of the PPG activities financing status in the table below:**

PPG Grant Approved at PIF: US\$ 275,229			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
PPG Recipient-Executed (RETF)	200,000	0	60,000
PPG Bank-Executed (BETF)	75,229	41,913.13	14,315
<b>Total</b>	<b>275,229</b>	<b>41,913.13</b>	<b>74,315</b>

*PPG Grant Agreement has been activated on June 30, 2021.*

**ANNEX D: Project Map(s) and Coordinates**

**Please attach the geographical location of the project area, if possible.**

Please see section 1b above.

**ANNEX E: Project Budget Table**

**Please attach a project budget table.**

**Annex A: Indicative Project Budget Template - Indonesia Sustainable Cities Impact Project**

The contents of this document is indicative at CEO endorsement stage, and will be subject to further updates during appraisal and implementation after CEO endorsement.

Expenditure Category	Component (US\$ million)								Total (USDeq.)	Responsible Entity
	Component 1 Integrated spatial planning and urban management	Component 2 Catalyzing integrated investment in priority areas	Component 3 Piloting innovative financing approaches and instruments	Component 4 Policy dialogue and knowledge management**	Component 5 Project Management	Sub-Total	M&E	PMC		
	Outcome: Biodiversity and climate-smart management integrated in participating cities' development plans and design of priority capital investments.									
Works	-	-	-	-	-	-			-	BAPPENAS
Goods	-	-	-	-	-	0.2	0.2		-	
Vehicles	-	-	-	-	-	-			-	
Grants/ Sub-grants	-	-	-	-	-	-			-	
Revolving funds/ Seed funds / Equity	-	-	-	-	-	-			-	
Contractual Services – Individual*										
Contractual Services – Company*	4.2	5.7	2.7	0.3	0.5	13.4			13.4	
Salary and benefits / Staff costs	-	-	-	-	-	-			-	
Trainings, Workshops, Meetings	0.2	0.2	0.2	1.0	-	1.6			1.6	
Travel	0.1	0.1	0.1	0.2	-	0.5			0.5	
Incremental Operating Costs (IOC)	-	-	-	-	-	0.1	0.1		-	
Grand Total	4.5	6.0	3.0	1.5	0.8	15.8			15.8	

\*Includes both local and international consultants hired under firm contracts.

\*\*Under component 4, \$1.2 million GEF financing is allocated to knowledge management, including engagement with SCIP Global Program, which is budgeted at 200k per city and 50k for the national dialogues.

\*\*\*M&E Budget Breakdown

Spending Categories	Budget (US\$)
<b>Individual Consultancies</b>	
M&E officer	150,000
Administrative assistant to support monitoring, reporting and compliance	50,000
<b>Other expenses</b>	
Technical audits	125,000
Beneficiary surveys, mid and end of project evaluations	100,000
<b>Total</b>	<b>425,000</b>

**ANNEX F: (For NGI only) Termsheet**

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

**ANNEX G: (For NGI only) Reflows**

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with

the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

**ANNEX H: (For NGI only) Agency Capacity to generate reflows**

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).