

Strengthening the Capacity of Institutions in Indonesia to comply with the Transparency Requirements of the Paris Agreement (CBIT)

Basic Information

GEF ID

10308

Countries

Indonesia

Project Title

Strengthening the Capacity of Institutions in Indonesia to comply with the Transparency Requirements of the Paris Agreement (CBIT)

GEF Agency(ies)

UNDP

Agency ID

UNDP: 6440

GEF Focal Area(s)

Climate Change

Program Manager

Satoshi Yoshida

PIF

Part I – Project Informatics

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes. This project is aligned with CCM3-8: "Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency".

Agency Response

n/a

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

This project is comprised of the following project components which are included in the portfolio of support in the Programming Directions for the CBIT.

1. Institutional capacity strengthening for climate transparency

1. Institutional capacity strengthening for climate transparency;

2. The development and establishment of robust systems for GHG inventory, and to measure, report and verify (MRV) emissions in compliance with the Paris Agreement
3. Strengthened NDC implementation and tracking progress

Agency Response

n/a

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes. This project will receive \$1 million of in-kind support from relevant Ministries in Indonesia.

Agency Response

n/a

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: "Programming of Funds" is blank in Table D. Please enter "CBIT-set aside".

AT, 10/03/19: Comment cleared.

Agency Response

UNDP, 09/12/19: Following up on your advice, we have entered "CBIT-set aside" in Table D.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19:

This project requests resources from the CBIT set-aside in the CCM focal area.

Agency Response

Agency Response

n/a

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19:

This project requests resources from the CBIT set-aside in the CCM focal area.

Agency Response

n/a

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: The PPG request (\$50,000) in Table E is within the allowable cap.

[Comment] "Programming of Funds" is blank in Table E. Please enter "CBIT set-aside".

AT, 10/03/19: Comment cleared.

Agency Response

UNDP, 09/12/19: We have inserted CBIT set-aside in Table E.

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines?
(GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/07/19: Yes.

Agency Response n/a

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Indonesia has made significant progress in reporting on its GHG emissions, however, it needs to have systems in place to track progress in achieving NDCs covering the full range of mitigation and adaptation actions in the agriculture, forestry and land use sector. The NDC implementation strategy consists of (1) ownership and commitment development, (2) capacity development, (3) enabling environment, (4) communication network and framework development, (5) One GHG Data Policy, (6) Intervention programme, planning and policy development, (7) NDC Implementation Guidelines development, (8) NDC implementation, and (9) NDC review and monitoring.

The energy, agriculture and land-use sectors are particularly important in Indonesia as they are key source of GHG emissions in the country. Capacity gaps should be addressed to improve institutional coordination and a robust system to track progress in achieving NDC goals across sectors and sub-sectors.

Agency Response

n/a

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

There are detailed description on the baseline scenarios on institutional arrangements, legal and regulatory framework, implementation and tracking of Indonesia's NDC, Gender, barriers and gaps, etc.

Agency Response n/a

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Not yet.

[Comment]

Component 2:

(1) In addition to the GEF project, Indonesia has received funds to implement REDD+ projects, for example, Forest Carbon Partnership Facility projects in Indonesia. The outcomes of these projects may include the work on the forest reference emission level and emission factors on land use, land use change, forestry and peat land. Please justify if there is an additional value to conduct activities for GHG inventory and MRV system under this project component.

(2) Please explain the reason why "peat land fire" is focused to improve emission factor.

AT, 10/03/19: Comments cleared.

Agency Response

UNDP, 09/12/19:

(1) Please be informed that the REDD+ and FCPF projects – for instance – have not covered all areas of Indonesia yet. The activities that have been implemented by the other projects are considered pilot activities. The Government of Indonesia (GOI) still needs to evaluate the lessons-learned and challenges. GOI needs to assess the feasibility to replicate the potential successes in other locations adjusted with the location conditions. We need to be aware of the situation that each location in the country may have different challenges that require further attention, for example local emission factors. Meanwhile, the GHG Inventory and MRV are still in need of improvement.

The CBIT project is expected to cover other areas that have not been covered by other projects (supported by other donors). This will assure that there will be no overlap. The CBIT will be in harmony implemented with other projects.

(2) Peatlands are considered a globally important carbon pool. Carbon emission from the peatlands is one of the main components of global greenhouse gas (GHG) emissions. In Indonesian context, the peat lands carbon pool comprises 74% of the country's total forest carbon pool (97 Gt; biomass plus soil). Indonesia represents tropical peatlands. It is the 3rd largest in the world that has 265,500 km square (which is more than half of the size of tropical peatlands). Although it is the 3rd to reserve carbon stock after Canada and Russia, i.e. 54,016 Mton, the ecosystem is very vulnerable. It requires strong commitment to manage it well. If it is not well managed, it will potentially release methane gas (CH₄) and CO₂ easily to atmosphere.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Please address the comment (1) stated in Part II / Box 3 above.

AT, 10/03/19: Comment cleared.

Agency Response

UNDP, 09/12/19:

(1) Please be informed that the REDD+ and FCPF projects – for instance – have not covered all areas of Indonesia yet. The activities that have been implemented by the other projects are considered pilot activities. The Government of Indonesia (GOI) still needs to evaluate the lessons-learned and challenges. GOI needs to assess the feasibility to replicate the potential successes in other locations adjusted with the location conditions. We need to be aware of the situation that each location in the country may have different challenges that require further attention, for example local emission factors. Meanwhile, the GHG Inventory and MRV are still in need of improvement.

The CBIT project is expected to cover other areas that have not been covered by other projects (supported by other donors). This will assure that there will be no overlap. The CBIT will be in harmony implemented with other projects.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes. It is expected that this project will produce long-term sustainability. This project will reinforce existing activities carried out by the new Climate Change Directorate, in the framework of the BUR and National Communication. The project activities will be implemented in partnership with the relevant partner organizations. the process will be institutionalized within the partner organizations. Result from the project will be disseminated widely at the national and regional level through existing information sharing networks and forums such as the Global Support Programme and the CBIT Global Coordination Platform and members.

Agency Response n/a

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19:

[Comment] Please attach a country map.

At, 10/03/19: Comment cleared.

Agency Response

UNDP, 09/12/19: The map of the Republic of Indonesia is added.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes. Names of stakeholders including governments, local states, CSOs, the private sector and their responsibilities are provided in the table.

Agency Response **n/a**

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

The project will develop a gender analysis outlining the different roles and responsibilities of women and men in the climate transparency in Indonesia. The project will develop gender responsive results-based frameworks in line with GEF's Gender Equality Action Plan (GEAP), which is key to ensure that women's needs, voice, leadership and participation are taken into account in project design, implementation and evaluation. As a result, the project will, where possible, account for and apply a gender-sensitive approach to data and information collection and analysis. Mainstreaming gender-aware approach to data and implementation will ensure equitable participation of women in project activities.

Agency Response n/a

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response n/a

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response n/a

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19:

[Comment]

(1) This project is designed to be implemented in parallel and complementary with several activities including a new initiative by UNDP and MOEF on the 4th National Communication (NC4) to UNFCCC. Please carefully design the NC4 project to complement to and avoid overlapping with the CBIT project, in particular activities on GHG inventory and MRV system.

(2) Please explain how this project will coordinate with national REDD+ project such as the Forest Carbon Partnership Facility projects in Indonesia. (see comment (1) stated in Part II/Box 3 above).

AT, 10/03/19: Comments cleared.

Agency Response

UNDP, 09/12/19:

(1) The NC4 and CBIT projects will be under the direct coordination of Director General of Climate Change, Ministry of Environment and Forestry (KLHK). For the day-to-day implementation, the NC4 will be assigned to the Director of Climate Change Mitigation while the CBIT project will be assigned to the Director of GHG Inventory and MRV. Accordingly, there will be no overlap since both directors have to clearly coordinate their activities in synergy of each other.

(2) Similar to what has been mentioned above, in Indonesia, the coordination of Forest Carbon Partnership Facility projects is also directly under the Director General of Climate Change, Ministry of Environment and Forestry. The presence of CBIT will be to strengthen the position of Indonesia to adhere to UNFCCC.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes. This project is aligned with Indonesia's national strategies such as its NDC.

Agency Response **n/a**

Knowledge Management

Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19: Yes.

Agency Response **n/a**

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

art III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

AT, 07/23/19:

[Comment]

(1) In the OFP letter, the Agency fee must include the PPG fee (i.e., \$180,500+\$4,750= \$185,250), then the total GEF financing will amount to "\$2,135,250". Please revise and resubmit the letter.

(2) Part III/ Table A: There are two lines on the record of endorsement of GEF OFP which are redundant. Please delete the two line entirely

and update the record when the revised OFP letter is submitted.

AT, 10/03/19: (1) Comment cleared. (2) There are still two lines on the record of endorsement of OFP in Part III /Table A. Please delete the old line dated "8/27/19".

AT, 10/08/19: There is still redundancy on the record of endorsement of OFP dated 09/12/19 in Part III /Table A. Please delete one of the lines.

Agency Response

UNDP, 09/12/19:

- (1) Done. The OFP letter is revised and submitted
- (2) The two lines are deleted and update the record with the revised OFP letter.

UNDP, 10/07/2019

(2) The line dated as 8/27/19, is the new line for the new Letter of Endorsement of OFP which is dated as 8/27/19. Just to make sure it is newly uploaded, the line date is corrected as of 09/12/19.

UNDP, 10/17/2019:

The below statement under Section 6 of Part II – PIF was deleted from the document.

"The project will be executed according to UNDP's National Implementation Modality (NIM) as per NIM guidelines agreed by UNDP and the Government of Indonesia."

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

The project has been submitted listing Turkey as the country in several places, when it should be Indonesia. Please correct and resubmit.

AT, 07/23/19:

The country name is revised to Indonesia.

Not at this time to recommend for technical clearance. Please address all comments stated above.

AT, 10/03/19: Most comments have been cleared. However, there is one more comment that needs to be cleared. Please address a comment on Country Endorsement Part III / Table A stated above.

AT, 10/08/19: There is still redundancy on the record of endorsement of OFP dated 09/12/19 in Part III /Table A. Please delete one of the lines from the PIF.

AT, 10/15/19: Comment dated 10/08/19 has been cleared. Please address the additional comment as follows;

In Coordination (Section 6 of Part II – PIF), it is mentioned that “*the project will be executed following UNDP's national Implementation Modality (NIM) as per the NIM guidelines agreed by UNDP and the Government of Indonesia*”. This modality normally implies that UNDP will carry out some executing activities. Without an early engagement with GEF Program Manager to justify why Indonesia would require UNDP engagement in execution, neither by knowing which activities would be carried out by UNDP (and with no letter of support signed by the GEF OFP), this mention to NIM has to be deleted from the PIF.

AT, 10/17/19: Comment cleared (See Agency's Response box in Part III Country endorsements). The PM recommends the PIF for approval.

Cover Memo

Indonesia has made progress in reporting on its greenhouse gas (GHG) emissions, however, it is necessary to establish systems to track progress in achieving national determined contributions (NDCs) under the Paris Agreement which covers the full range of mitigation and adaptation actions in the agriculture, forestry and land use sector. The NDC implementation strategy consists of (1) ownership and commitment development, (2) capacity development, (3) enabling environment, (4) communication network and framework development, (5) One GHG Data Policy, (6) Intervention programme, planning and policy development, (7) NDC Implementation Guidelines development, (8) NDC implementation, and (9) NDC review and monitoring.

The energy, agriculture and land-use sectors are particularly important in Indonesia as they are key source of GHG emissions in the country. Capacity gaps should be addressed to improve institutional coordination and a robust system to track progress in achieving NDC goals across sectors and sub-sectors.

This CBIT project aims to strengthen Indonesia's technical and institutional capacities to meet the PA's Enhanced Transparency Framework (ETF) requirement. Previous projects provided important starting point in terms of capacity development on institutionalized GHG inventory and MRV system including modeling and impact analysis, while the CBIT will strengthen existing capacities mainly on establishment of institutionalized transparency mechanism and to enhance the quality of data and information related to the GHG inventory and MRV for achieving a successful NDC and low carbon development. This project is comprised of the following project components;

- (1) National institutions strengthening for climate transparency
- (2) The development and establishment of robust systems for GHG inventory, and to Measure, report and verify (MRV) emissions in compliance with the Paris Agreement
- (3) Strengthened NDC Implementation and tracking progress

This project will be funded \$2,135,250 from the CBIT set-aside under the GEF Trust Fund (including PPG amount: 50,000 and fees: \$185,250) leveraging \$1,000,000 co-financing from the Government.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

| | PIF Review | Agency Response |
|----------------------------------|------------|-----------------|
| First Review | 7/12/2019 | 9/12/2019 |
| Additional Review (as necessary) | 7/23/2019 | 10/7/2019 |
| Additional Review (as necessary) | 10/8/2019 | 10/17/2019 |
| Additional Review (as necessary) | 10/17/2019 | |
| Additional Review (as necessary) | | |

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval