

GEF-8 PPG REQUEST FOR GBFF PROJECTS

TABLE OF CONTENTS

GENERAL PROJECT INFORMATION3

 Indicative Project Overview4

PROJECT COMPONENTS4

PROJECT CONCEPT DESCRIPTION.....7

 Core Indicators.....12

ANNEX A: PROJECT FINANCING TABLES16

 GEF Financing Table16

 Project Preparation Grant (PPG)16

 Sources of Funds for Country Star Allocation17

 Indicative Action Area Elements17

 Indicative Co-financing17

ANNEX B: ENDORSEMENTS18

 GEF Agency(ies) Certification18

 Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):.....18

General Project Information

Project Title:

PRESERVE Indonesia: Mobilizing Blended Biodiversity Finance for Community-Led Preservation Areas (Areal Preservasi/OECMs)

Region:

Asia

GEF Project ID:

12210

Country(ies):

Indonesia

Type of Project:

GBFF

GEF Agency(ies):

UNDP

GEF Agency Project ID:

10163

Anticipated Executing Entity(s):

Directorate of Ecosystem Restoration and Preservation Area Development, Directorate General of Natural Resources and Ecosystem Conservation - Ministry of Forestry, Indonesia

Anticipated Executing Type:

Government

GEF Focal Area (s):

Biodiversity

Submission Date:

12/16/2025

Project Sector (CCM Only)

Taxonomy

Focal Areas, Influencing models, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Demonstrate innovative approaches, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Stakeholders, Local Communities, Beneficiaries, Type of Engagement, Communications, Education, Awareness Raising, Public Campaigns, Behavior change, Indigenous Peoples, Private Sector, Financial intermediaries and market facilitators, Capital providers, Large corporations, Non-Grant Pilot, SMEs, Individuals/Entrepreneurs, Civil Society, Non-Governmental Organization, Community Based Organization, Academia, Information Dissemination, Participation, Partnership, Consultation, Capacity, Knowledge and Research, Enabling Activities, Capacity Development, Knowledge Exchange, Innovation, Learning, Adaptive management, Theory of change, Indicators to measure change, Knowledge Generation, Gender Equality, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Gender results areas, Access and control over natural resources, Participation and leadership, Knowledge Generation and Exchange, Biodiversity, Productive Landscapes, Community Based Natural Resource Mngt, Protected Areas and Landscapes, Mainstreaming, Forestry - Including HCVF and REDD+, Tourism, Agriculture and agrobiodiversity, Species, Wildlife for Sustainable Development, Threatened Species, Biomes, Mangroves, Wetlands, Tropical Rain Forests, Grasslands, Financial and Accounting, Conservation Finance, Conservation Trust Funds, Payment for Ecosystem Services

Type of Trust Fund:

GBFF

Project Duration (Months)

60

GEF Project Financing: (a)

7,562,558.00

GEF Project Non-Grant: (b)

0.00

Agency Fee(s) Grant: (c)

718,442.00

Agency Fee(s) Non-Grant: (d)

0.00

Total GEF Financing: (a+b+c+d)	Total Co-financing:
8,281,000.00	3,140,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
200,000.00	19,000.00
PPG total Amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)
219,000.00	8,500,000.00
Project Tags:	
Support IPLC, GBF Target 1, GBF Target 3, GBF Target 4, GBF Target 20, GBF Target 21, GBF Target 22, GBF Target 23	

Indicative Project Overview

To scale up protection of Indonesia's globally significant biodiversity by mobilizing and deploying blended conservation finance for community-led management of new Preservation Areas (Areal Preservasi/OECMs)

Project Components

1. Strengthening operational framework for management and financing for Areal Preservasi/OECMs (GBFF Action Areas One and Four)

Component Type	Trust Fund
Technical Assistance	GBFF
GEF Project Financing (\$)	Co-financing (\$)
1,500,000.00	424,460.00

Project Outcomes:

1. Operational framework established for management and financing of *Areal Preservasi/OECMs*

Indicators:

>= 1 national regulation on establishment and management of AP/ OECM is adopted

>=3 technical guidance (on AP/OECM eligibility criteria, customary communities/group and local gov. co-management, and financing modalities and procedures for accessing BPD LH/IBioFund adopted

National coordination committee for AP/OECMs management and finance is operational and includes MoFor, BPD LH/IBioFund, MoF, Bappenas, NGOs, and customary-group organizations

500,000 Ha of preservation areas delineated for establishment in OneMap Policy and provincial development plans

National Areal Preservasi /OECM Financing Roadmap endorsed by MoFor

>=1 national MRV protocol for tracking AP/OECM finance and biodiversity conservation results is adopted

Project Outputs:

1.1. Regulations and guidelines on recognition, governance, and financing of *Areal Preservasi/OECMs* are developed and adopted

1.2. National coordination committee for *Areal Preservasi/OECMs* management and finance is established and operational

1.3. *Areal Preservasi*/OECMs are identified and included in the MoFor sectoral and financial plans, provincial development plans, and OneMap Policy

1.4. National *Areal Preservasi* /OECM Financing Roadmap is developed and endorsed by MoFor, providing a prioritized, costed framework for scaling AP/OECM investments through BPD LH/IBioFund and complementary public–private instruments.

1.5. Transparent Monitoring, Reporting, and Verification system for AP/OECM financing and measuring biodiversity conservation results is operational

2. Establishment of an AP/OECM financing platform (funding window) at BPD LH (Indonesia Environmental Fund)/ IBioFund (GBFF Action Area Four)

Component Type	Trust Fund
Technical Assistance	GBFF
GEF Project Financing (\$)	Co-financing (\$)
2,400,000.00	1,679,135.00

Project Outcomes:

2. AP/OECM Financing Platform (*funding window*) at BPD LH/IBioFund is established and mobilizes blended finance for community-led biodiversity conservation

Indicators:

AP/OECM Investment Plan formally approved within the IBioFund

>=5 distinct financing instruments are designed, approved and ready for use under AP/OECM financing platform, including 2 de-risking mechanisms.

>=US\$ 25,000,000 of capital mobilized by AP/OECM Investment Plan.

>= 30 staff (50% women) are trained on AP/OECM financial management, project appraisal and risk analysis.

>=200–300 participants (50% women) from customary communities, CSOs, cooperatives and local SMEs trained on project design and business planning for AP/OECM-related enterprises; financial management and reporting.

>=20 AP/OECM-related proposals (community projects, SME investments, joint ventures) prepared to a bankable standard and formally submitted to BPD LH

Project Outputs:

2.1. AP/OECM financing platform (*funding window*) is established and operationalized at BPD LH/ IBioFund and offers flexible financing instruments.

2.2. AP/OECM financing platform (funding window) is capitalized via Private-Public Partnerships, co-investment agreements, CSR allocations, government and international donor funding.

2.3. Respective BPD LH and MoFor staff are trained on financial management & reporting for AP/OECM windows, appraisal of AP/OECM projects and management of safeguards.

2.4 Customary communities, CSOs, local SMEs are trained to prepare bankable proposals, manage funds, and meet reporting requirements.

2.5. Portfolios of finance-ready local government, community and SME projects on establishment and operationalization of AP/OECM in the target provinces are developed and approved by MoFor.

3. Demonstration of sustainable finance models for Customary community-led establishment and management of AP/OECMs (GBFF Action Areas Two and Four)

Component Type	Trust Fund
Investment	GBFF
GEF Project Financing (\$)	Co-financing (\$)
3,000,000.00	848,919.00

Project Outcomes:

3. Improved biodiversity conservation in target provinces via sustainable financial instruments of AP/OECM financing platform (*funding window*)

Indicators:

>= US\$ 12,000,000 in total financing disbursed through the AP/OECM financing platform in project areas;

>= 477,525 ha of new AP/OECM officially established and sustainably managed via forums for KEE;

>= 1,800 ha of forest, peatland, and mangrove ecosystems restored;

>= 3,456,000 tCO₂e emission avoided via ecosystem restoration and decreased deforestation rate in target AP/OECMs;

>=30% of poaching and illegal logging cases decrease in established AP/OECMs

>=3,200 direct project beneficiaries (50% of women) among customary communities

Project Outputs:

3.1. Target AP/OECMs are officially established and operationalized via Customary community-led forums for Essential Ecosystem Areas (KEE) under GBFF grant support.

3.2. The blended financial instruments for biodiversity conservation and sustainable use are implemented in 4 priority areas via AP/OECM funding window (e.g., performance-based of customary-group conservation agreements, NbS instrument for HWC risk mitigation, agroforestry enterprises financing through revolving credit lines and value chain PPPs, eco-tourism and blue-carbon/peatland restoration revenue models, private conservation concessions backed by impact investment and risk guarantees) through new and additional financing leveraged through the funding window.

3.3. Best practices developed through implementation of AP/OECM funding window in priority areas are shared nationally to scale up biodiversity conservation via blended finance

M&E

Component Type	Trust Fund
Technical Assistance	GBFF
GEF Project Financing (\$)	Co-financing (\$)
302,437.00	85,582.00

Project Outcomes:

4. Effective project performance through inclusive, participatory, and gender-responsive Monitoring and Evaluation (M&E) systems, enabling Adaptive Management

Indicators:

Satisfactory rating of the annual project Quality Assurance supported by MTR and TE;

>=50% of local community in the project areas aware about the project Grievance Redress Mechanism

Project Outputs:

4.1. Participatory, inclusive, and gender-responsive M&E system is implemented to measure the project effectiveness and risk levels, and support Adaptive Management

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
1. Strengthening operational framework for management and financing for Areal Preservasi/OECMs (GBFF Action Areas One and Four)	1,500,000.00	424,460.00
2. Establishment of an AP/OECM financing platform (funding window) at BPDH (Indonesia Environmental Fund)/ IBioFund (GBFF Action Area Four)	2,400,000.00	1,679,135.00
3. Demonstration of sustainable finance models for Customary community-led establishment and management of AP/OECMs (GBFF Action Areas Two and Four)	3,000,000.00	848,919.00
M&E	302,437.00	85,582.00
Subtotal	7,202,437.00	3,038,096.00
Project Management Cost (PMC)	360,121.00	101,904.00
Total Project Cost (\$)	7,562,558.00	3,140,000.00

Please provide justification

PROJECT CONCEPT DESCRIPTION

Project Concept Description (No more than seven pages total, including 5 pages of text maximum. Concepts longer than 7 pages will be returned. Please note the portal entry will be limited to up to 19,400 characters of text and up to two figures.)

PROJECT RATIONALE

Indonesia is home to around 15,000 endemic plant species and over 800 endemic animal species. As a mega-biodiversity country, it faces a triple planetary crisis of climate change, biodiversity loss, and pollution. Thousands of endemic species within the country are threatened by deforestation, habitat loss, and ecosystem degradation: the ongoing encroachment, plantation expansion and infrastructure development continue to fragment ecosystems, displacing wildlife and undermining biodiversity and the livelihoods of forest-dependent communities. Indonesia's 27 million hectares of conservation forests, spanning within Sumatra, Kalimantan, Sulawesi, and Java, serve as critical habitats for globally protected species, yet at the same time, many biodiversity-rich areas fall outside official Conservation Areas and remain unprotected.

In response, Indonesia is developing regulations for Preservation Areas (*Areal Preservasi* - APs): designated zones outside formal conservation areas that maintain ecological functions, biodiversity, and connectivity (Indonesia's version of Other Effective Area-

Based Conservation Measures (OECM). Law No. 32/2024 provides the initial legal basis for APs as a new spatial category aimed at sustaining ecological integrity and multi-stakeholder governance. Many of Indonesia’s protected wildlife species, such as elephants and orangutans, inhabit these areas, making them critical as buffers that prevent forest encroachment and reduce human–wildlife conflict when species move beyond Conservation Areas.

Many of Indonesia’s high-biodiversity landscapes outside Conservation Areas (potential *Areal Preservasi* under the Law No. 32/2024) are inhabited by or adjacent to *Masyarakat Adat* or customary community/group and people who have long been the stewards of these ecosystems. Communities across the archipelago (from *sasi* in Maluku to *panglima laot* in Aceh and *tembawang* in Borneo) have practiced sustainable use and customary conservation for generations. Empowering customary group through formal recognition, capacity building, and benefit-sharing is therefore a strategic priority. Indonesia’s national Social Forestry program aims to allocate 12.7 million hectares of state forests to community management. By 2024, more than 6 million hectares had already been placed under legal community management schemes, including in and around Conservation Areas. Going forward, customary groups and people (IPLCs) will be pivotal in managing APs/OECMs given their on-the-ground presence and knowledge. Indonesia’s Biodiversity Strategy and Action Plan (IBSAP) 2025–2045 explicitly calls for an inclusive, rights-based approach that acknowledges the enormous role of customary community/group in biodiversity conservation.

However, strengthening and expanding AP/OECM under customary group management faces a significant biodiversity financing gap. Indonesia’s financing needs for biodiversity conservation are estimated at roughly US\$ 4.41–4.73 billion per year, according to the IBSAP 2025–2045. In stark contrast, current domestic resources available for biodiversity are only on the order of US\$ 504–630 million per year. The updated IBSAP 2025–2045 emphasizes a transition from funding to financing, meaning a shift from sole reliance on state budget allocations to leveraging private capital and market-based mechanisms. In June 2025 Indonesia launched the Indonesia Biodiversity Fund (IBioFund), a pioneering blended finance vehicle under the Environmental Fund (BPD LH), specifically to bridge the biodiversity funding gap by crowding in non-state and international financing.

PROJECT DESCRIPTION

The GBFF PRESERVE project Objective and Strategies

The suggested project Objective is *to scale up protection of Indonesia’s globally significant biodiversity by mobilizing and deploying blended conservation finance for customary community-led management of new Preservation Areas (Areal Preservasi/OECMs)*. The Objective is expected to be achieved through implementation of three Strategies (Components) revolving around GBFF Action Area Four and contributing to Action Areas One and Two:

- **Component 1:** Strengthening operational framework for management and financing for *Areal Preservasi/OECMs*;
- **Component 2:** Establishment and capitalization of an AP/OECM Financing Platform (Funding Window) at BPD LH (Indonesia Environmental Fund); and
- **Component 3:** Demonstration of sustainable finance models for customary community-led establishment and management of AP/OECMs
- **Monitoring & Evaluation** framework for project Adaptive Management

Component 1: *Strengthening operational framework for management and financing for Preservation Area/OECM* will establish the national enabling conditions for Indonesia’s new *Areal Preservasi/OECMs* as an integral part of the country’s conservation estate and biodiversity finance architecture. It will support the Ministry of Forestry to develop and adopt a coherent set of regulations and technical guidelines that define how these areas are recognized, governed in partnership with customary community-led and local governments.. A permanent multi-stakeholder coordination committee will be created to align conservation and financing priorities across MoFor, BPD LH, MoF, Bappenas, provinces, NGOs, and customary group organizations. Priority Preservation Areas will be identified and mapped for Aceh, East Java, North Sulawesi, and North Kalimantan, and formally recognized in MoFor sectoral and financial plan, the BPD LH/IBioFund priorities, provincial development plans (RPJMD), and OneMap Policy. The project will produce a National AP/OECM Financing Roadmap to provide a prioritized, costed investment framework for scaling-up through BPD LH/IBioFund and other public–private instruments. A monitoring, reporting, and verification system will track financial flows to AP/OECMs and measure resulting biodiversity conservation outcomes, providing the evidence base needed to expand AP/OECM coverage (GBFF Action Area One) and scale resource mobilization for AP/OECM establishment and management (GBFF Action Area Four).

Component 2: *Establishment of an AP/OECM Financing Platform (Funding Window) at BPD LH (Indonesia Environmental Fund)/IBioFund* will operationalize this financing roadmap, and establish a dedicated funding window as Indonesia’s national financing vehicle for AP/OECMs. This directly advances GBFF Action Area 4 on biodiversity resource mobilization. This financing

platform will be supported with initial seed (through co-finance) and equipped with a suite of flexible instruments, such as grants, concessional loans, guarantees, and insurance products to finance customary community-led conservation and sustainable use initiatives in AP/OECM. Building on UNDP and BPDH ongoing cooperation, the funding window will integrate tested solutions from Indonesia's BIOFIN portfolio, and REDD+ frameworks for delivering performance-based payments for forest conservation. **GBFF funding will not be used to capitalise the AP/OECM platform or the IbioFund. The project will provide technical assistance and grant support to crowd in additional capital through Public-Private Partnerships, co-investment agreements, CSR allocations, and contributions from government and international donors, significantly expanding the volume of finance available for biodiversity. The IbioFund will provide cofinancing through its current seed capital provided by the Wildlife Conservation Society of Indonesia.** BPDH/IBioFund and partner institutions will be trained to appraise AP/OECM projects and manage safeguards, while customary community-led, CSOs, and local SMEs in four project areas will receive support to develop bankable proposals and manage funds. UNDP will mobilize technical assistance for capacity building of BPDH through "Institutional Strengthening for Indonesian Environment Fund (IEF) Governance and Oversight (INSIGHT)" funded by the Government of Norway. A robust pipeline of finance-ready local government, community, and SME projects for AP/OECMs in Aceh, East Java, North Sulawesi, and North Kalimantan will be developed and endorsed, ensuring that mobilized resources flow rapidly into high-impact conservation investments on the ground.

Component 3: Demonstration of Sustainable Finance Models for customary community-led Establishment and Management of AP/OECMs will prove, in real landscapes, that customary community-led conservation backed by blended finance can establish and sustainably manage Indonesia's new AP/OECMs. It will support the formal designation of priority AP/OECMs and their operationalization through multi-stakeholder forums for Essential Ecosystem Areas (KEE) in which the customary group/community plays a leading governance role (GBFF Action Area Two). The AP/OECM financing platform, **with GBFF funds will provide grant-based technical assistance supporting** concrete measures that strengthen these forums to negotiate co-management arrangements, and ensure that customary community groups have the authority and capacity to steward biodiversity-rich territories adjacent to existing conservation forests; **and prepare bankable investible proposals for financing these actions** Building on this governance foundation, the component will implement a portfolio of blended-finance pilots (GBFF Action Area Four) in Aceh, East Java, North Sulawesi, and North Kalimantan that directly link conservation outcomes with diversified livelihood opportunities. These pilots will test the instruments such as performance-based conservation agreements with customary groups, nature-based solutions for human-wildlife conflict risk mitigation, agroforestry and NTFP enterprises supported by revolving credit lines and value-chain partnerships, eco-tourism and blue-carbon/peatland restoration revenue models, and private conservation concessions backed by impact investment and risk guarantees. Lessons, tools, and transaction models emerging from these pilots will be systematically documented and disseminated to national partners, BPDH, and provincial governments to inform replication and scaling of customary community-led AP/OECM finance nationwide.

M&E framework installs a participatory, gender-responsive system that tracks project progress and feeds real-time learning back into AP/OECM management. Key activities include regular project monitoring activities; running inclusive reflection cycles (quarterly reviews, lessons learning sessions, Mid-Term Review, Terminal Evaluation) with customary group and women's representation; ensuring gender mainstreaming in the project activities; and operating a multilingual project grievance-redress mechanism paired with outreach.

Key Stakeholders: The PRESERVE Indonesia project is a biodiversity-finance program that leverages each partner's comparative advantage.. The **Directorate of Ecosystem Restoration and Preservation Area Development** under MoFor anchors the conservation and policy architecture, leading the recognition of AP/OECMs and embedding them in sectoral and provincial plans.. **BPDH/IBioFund**, through a dedicated AP/OECM funding window, serves as the national blended-finance platform, pooling GBFF, public, donor, CSR and private capital and offering a suite of instruments (grants, concessional loans, guarantees and insurance products) to fund customary community-led conservation, restoration and sustainable use enterprises. **Domestic banks, impact investors, and corporate partners** participate as co-investors and off-takers, providing capital, de-risking support, and market access for nature-positive enterprises in and around AP/OECMs. **UNDP** (Institutional Strengthening for Indonesian Environment Fund (IEF) Governance and Oversight (INSIGHT)) will provide technical assistance on biodiversity finance, safeguards, MRV, and pipeline development.. **IPLC-led KEE forums, Social Forestry Enterprises (KUPS), Customary Groups (MHA), NGOs, and community organizations** in the four priority landscapes design and implement on-the-ground interventions, such as performance-based conservation agreements, NbS instruments for human-wildlife conflict, agroforestry value chains, eco-tourism, blue-

carbon/peatland restoration and impact-backed conservation concessions, so that local livelihoods benefit from, and reinvest in, long-term biodiversity conservation.

Project Areas: The project targets **four high biodiversity and economic value areas** across Sumatra, Java, Sulawesi, and Kalimantan (total area of 477,525 ha) as living laboratories for community-led, finance-driven AP/OECM models. In **Aceh's Pidie–Pidie Jaya and Seulawah–Janto corridors** (198,765 ha) linking Ulu Masen and Leuser, community-led KEE forums will negotiate performance-based conservation agreements through which Mukim institutions receive grants and insurance-backed HWC mitigation support from the AP/OECM funding window in return for protecting elephant, tiger, and orangutan habitat and enforcing community land-use rules. In the **Meru Betiri landscape of East Java** (65,408 ha core), blended-finance packages combining concessional credit lines, small grants, and value-chain PPPs for cooperatives and smallholders to develop cocoa and/or coffee agroforestry, eco-tourism, and NTFP enterprises, with agreed profit-sharing mechanisms that channel a portion of revenues into locally managed conservation funds. In **Southeast Sulawesi's Rawa Aopa Watumohai wetland–forest mosaic** (105,194 ha core), the project will pilot eco-tourism concessions and blue-carbon/peatland restoration deals where community groups co-own revenue streams (tourism fees, carbon credits) and reinvest them into community-managed AP/OECM governance and monitoring. In **East Kalimantan's Enggelam–Tepian Ulaq peat corridor** (108,158 ha core), project will help structure impact-investment transactions and de-risking guarantees around the existing HGU Jasa Lingkungan concession, formalizing benefit-sharing agreements so Dayak communities receive dividends, jobs, and enterprise finance tied to peat conservation performance.

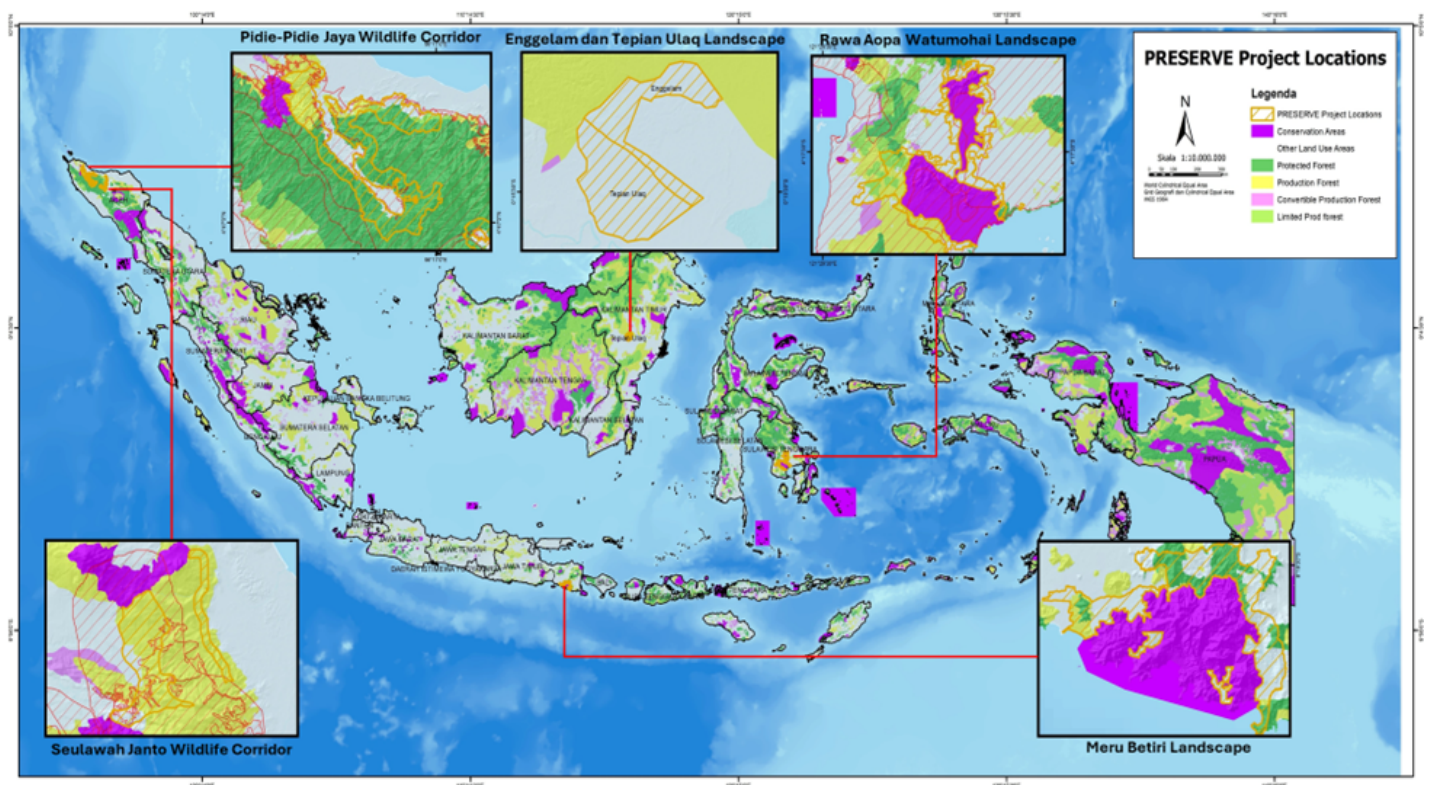


Figure 1. The PRESERVE Project Areas

PRESERVE Theory of Change

The Theory of Change for PRESERVE Indonesia starts from the recognition that Indonesia cannot meet its National GBF Targets or fully operationalize the new category of Areal Preservasi/OECMs without (i) a clear national framework for recognizing and governing these areas, (ii) a dedicated financing mechanism that can mobilize and blend public, private, and philanthropic capital, and (iii) IPLC-led models on the ground that demonstrate how conservation and livelihoods can be jointly financed and implemented. These three interlinked results chains are briefly described below:

If the Ministry of Forestry adopts regulations and technical guidelines on AP/OECM eligibility, customary community co-management and benefit-sharing, and access to BPDH/IBioFund; **if** a national multi-stakeholder coordination committee aligns AP/OECM priorities across ministries, BPDH, provinces, and IPLC organizations; **if** priority AP/OECM landscapes are mapped and integrated into sectoral, provincial development plans, and OneMap Policy; and **if** National AP/OECM Financing Roadmap endorsed by

the Government, **then** AP/OECMs will become a recognized part of Indonesia’s conservation estate and budget/finance architecture, and will be “investment-ready” for scaled finance (Outcome 1).

Building on this enabling framework, the project assumes that creating an AP/OECM Financing platform (*funding window*) as a dedicated funding window within BPDH/IBioFund **supported by GBFF, and capitalized by** public, donor, CSR and private funds and equipped with a suite of instruments (grants, concessional loans, guarantees, insurance products) will allow Indonesia to close a critical portion of its biodiversity finance gap (Outcome 2). **If** BPDH staff and partner agencies can effectively manage finance, appraise AP/OECM projects and manage safeguards, and IPLCs, CSOs, cooperatives and local SMEs are enabled with **GBFF technical assistance** to develop bankable proposals, **then** a robust pipeline of finance-ready projects for AP/OECM establishment and management will emerge in the four target provinces for funding from AP/OECM funding window.

At landscape level, the project posits that channeling this finance into customary community-led KEE forums and community enterprises in Aceh, East Java, North Sulawesi, and North Kalimantan will translate financial flows into measurable conservation and socio-economic outcomes. **If** AP/OECMs are formally gazetted and governed through inclusive forums where local community hold decision-making roles; if performance-based conservation agreements, NbS instruments for human–wildlife conflict, agroforestry and NTFP value chains, eco-tourism and blue-carbon/peatland restoration ventures, and impact-backed conservation concessions are funded and implemented; and if a share of revenues and benefits is transparently reinvested into local conservation funds, **then** new AP/OECMs will be sustainably managed, key ecosystems restored, emissions avoided, and thousands of IPLC men and women will experience more resilient, nature-positive livelihoods. Lessons and transaction models from these pilots, captured through the MRV and M&E systems, will be fed back to MoFor, BPDH/IBioFund, and provincial governments, informing policy updates and replication of AP/OECM finance models nationwide.

Contribution to GBFF Action Areas: *Action Area 4* (GBF Target 19) is the engine of change for PRESERVE: by establishing and capitalizing an AP/OECM financing platform (funding window) at BPDH/IBioFund, This sustained financing enables *Action Area 1* (GBF Targets 1 & 3) and *Action Area 2* (GBF Targets 20–22) resulting in the following benefits:.

Global Environmental Benefits (GEBs): The project is positioned to produce significant GEBs including:

- Improved management of High Conservation Value landscapes (non-PA) that benefits to biodiversity: > 477,525 ha **(CI 4.1)**;
- Restored tropical forest, peatland, and mangrove ecosystems: 1,800 ha **(CI 3)**;
- Mitigated greenhouse gas emissions:: at least 1,250,000 t CO₂e **(CI 6.1)**;
- Direct project beneficiaries (including IPLC): > 3,200 people (50% are women) **(CI 11)**;
- Increased and sustainable grant and non-grant financing for biodiversity conservation: at least US\$ 25,000,000 mobilized by AP/OECM Investment Plan and at least USD 12 million of blended financing from public, private and philanthropic sources are programmed in the identified OECMs;
- Decreased by at least 30% poaching and illegal logging incidents in the AP/OECM areas;
- Stabilized local populations of endangered species in the AP/OECM: Sumatran elephant (*Elephas maximus sumatranus*, CR), Javan leopard (*Panthera pardus melas*, CR), Lowland anoa (*Bubalus depressicornis*), Bornean orangutan (*Pongo pygmaeus morio*), and others.

Alignment with Indonesia’s NBSAP and other national priorities: PRESERVE aligns with IBSAP 2025–2045, supporting National Targets 1 (awareness and multi-stakeholder participation in biodiversity management), 3 (incentive and disincentive systems for sustainable biodiversity use), 4 (policies for sustainable production and consumption), 8 (reduction of pollution that degrades ecosystems), 15 (restoration of degraded ecosystems), 17 (implementation of IBSAP across levels of governance), 18 (development of local wisdom, innovation and bioprospecting capacity), and 20 (identification and effective use of finance for sustainable biodiversity management), as well as the RPJPN 2025–2045 priorities on low-carbon, climate-resilient development, green economic transformation, regional development, and poverty reduction through sustainable, community-based natural-resource management.

Policy coherence and intersectoral coordination: PRESERVE will act as a catalyst to align Indonesia’s emerging AP/OECM framework with broader environmental, spatial, and development policies. The project will work closely with the approved GEF investment through FAO GEFID 11530 “Strengthening the integrated landscape management and governance for the conservation and sustainable use of forested areas important for biodiversity and ecosystem services (AIBDES) in Indonesia” by supporting a national AP/OECM coordination committee on management and finance that brings together MoFor, BPDH/IBioFund, MoF, Bappenas, line ministries, provincial governments, and IPLC representatives, the project will ensure that regulations on Preservation Areas, fiscal incentives, and financing criteria are mutually reinforcing rather than fragmented. AP/OECMs delineated under the project will be integrated into MoFor sectoral strategies, RTRW spatial plans, and RPJMD development plans, so that infrastructure, agriculture, forestry, climate, and finance decisions are consistent with biodiversity objectives. By strengthening the IBioFund as a long-term financing mechanism for biodiversity-compatible livelihoods, the project will provide a durable pathway to sustain and scale the investments initiated under GEF ID 11530

Finance mobilization potential: PRESERVE has strong finance mobilization potential because it is built around a dedicated AP/OECM financing platform within BPDH/IBioFund that is explicitly designed to blend GBFF resources with domestic public budgets, CSR allocations, and private and impact investment capital. With US\$ 7.56 million in GBFF grant and US\$ 5 million in confirmed co-financing (from the Government of Norway, BPDH and IBioFund), the project is structured to leverage at least US\$ 25 million in capital into the AP/OECM financing platform during implementation and to disburse a minimum of US\$ 10 million into community-led AP/OECM initiatives in the four pilot provinces, while establishing financial products such as grant, blended finance (concessional loans, guarantees, insurance) and de-risking mechanisms that can continue operating beyond the project’s lifetime.

Support to IPLCs/Customary Communities: PRESERVE is explicitly designed as a **customary community (IPLC)-centered** program that recognizes local people as primary stewards and co-managers of Preservation Areas. The project will strengthen customary community tenure and governance by operationalizing AP/OECMs through community-led KEE forums, Social Forestry groups (KUPS, MHA), and community enterprises embedding their roles in regulations, co-management agreements, and spatial plans. Through the AP/OECM financing platform (funding window) at BPDH/IBioFund, IPLC organizations, cooperatives and local SMEs will gain direct access to grants, concessional loans, guarantees and insurance products for nature-based enterprises and community conservation actions. Targeted capacity building via GBFF financing on project design, financial management, safeguards and MRV will enable IPLC women and men to develop bankable proposals, negotiate equitable nature-positive business arrangements, and manage funds transparently.

Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
1800	0	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
1,200.00			

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
600.00			

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	0	0	0

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)
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Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

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 or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Aceh's Pidie–Pidie Jaya and Seulawah–Janto corridors		198,765.00			
East Kalimantan's Enggelam–Tepian Ulaq peat corridor		108,158.00			
Meru Betiri landscape of East Java		65,408.00			
Southeast Sulawesi's Rawa Aopa Watumohai wetland–forest mosaic		105,194.00			

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	3456000	0	0	0
Expected metric tons of CO₂e (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 CO₂e (direct)	3,456,000			
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting	2027			
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 CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

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 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	1,600			
Male	1,600			
Total	3,200	0	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

GEF CI 3: The project will directly support the restoration of approximately 1,800 hectares of degraded ecosystems within newly established Areal Preservasi/OECMs in the four priority landscapes in Aceh, East Java, North Sulawesi, and East Kalimantan. Of this total, about 1,200 hectares comprise tropical forest restoration in critical connectivity corridors and buffer zones around conservation forests, implemented through customary community-led KEE forums and Social Forestry groups using blended finance instruments from the AP/OECM Investment Plan (e.g., performance-based conservation agreements, agroforestry rehabilitation, enrichment planting, and assisted natural regeneration). A further 600 hectares will focus on mangrove and peatland rehabilitation in wetland and peat-dominated AP/OECMs, including revegetation with native species, re-wetting of drained peat, stabilization of riparian zones, and community-based management measures that reduce unsustainable harvesting and fire risk. These restoration investments are integrated into landscape-level AP/OECM management plans and are tied to long-term financing and livelihood incentives, ensuring that the recovered forest, peatland, and mangrove ecosystems are maintained beyond the life of the project and contribute measurably to national GBF Targets and Indonesia’s IBSAP restoration goals.

GEF CI 4: Approximately 477,525 hectares of high-biodiversity landscapes in Aceh, East Java, Southeast Sulawesi, and East Kalimantan (the Pidie–Pidie Jaya and Seulawah–Janto corridors in Aceh linking Ulu Masen and Leuser (198,765 ha), the Meru Betiri landscape in East Java (65,408 ha core), the Rawa Aopa Watumohai wetland–forest mosaic in Southeast Sulawesi (105,194 ha core), and the Enggelam–Tepian Ulaq peat corridor in East Kalimantan (108,158 ha core)) will be brought under improved practices through the formal establishment and operationalization of new Areal Preservasi/OECMs, governed by customary community-led KEE forums, Social Forestry groups, and community enterprises. Within these areas, the project will introduce and finance a suite of best-practice conservation and sustainable-use measures—such as performance-based conservation agreements with customary institutions, nature-based solutions for human–wildlife conflict, sustainable agroforestry and NTFP value chains, eco-tourism and blue-carbon/peatland restoration ventures, and impact-backed conservation concessions—under the AP/OECM Investment Plan managed by BPD LH/IBioFund.

GEF CI 6: Under the EX-ACT framework, the project’s carbon gains derive from two sources: ecosystem restoration and avoided deforestation. For restoration, we applied the tool’s Tier-1 defaults for humid tropical climates, which indicate net sequestration of about 14 t CO₂ ha⁻¹ yr⁻¹ for both regenerating tropical forest and mangrove/peatland ecosystems. Restoring 1,200 ha of degraded tropical forest and 600 ha of mangroves/peatlands therefore yields approximately 25,200 t CO₂ of net removals each year (16,800 t CO₂ and 8,400 t CO₂, respectively), or 504,000 t CO₂ over a 20-year EX-ACT analysis period. To capture avoided emissions from land-use change, I assumed the project will reduce deforestation by 30% on at least 10,000 ha in each of the four AP/OECM sites (40,000 ha total). EX-ACT technical guidelines suggest a baseline deforestation emission of roughly 12.3 t CO₂ ha⁻¹ yr⁻¹ for humid tropical forests; applying a 30% reduction yields a savings of ~3.69 t CO₂ ha⁻¹ yr⁻¹. Over 40,000 ha, this translates to roughly 147,600 t CO₂ avoided per year and about 2.95 million t CO₂ over 20 years. Combined, the restoration and avoided-deforestation measures provide an estimated 172,800 t CO₂ of annual mitigation, or roughly 3.46 million t CO₂ over 20 years, with restoration contributing around 15% and avoided deforestation accounting for the remaining 85% of the project’s total carbon benefits.

GEF CI 11: People benefiting from GEF-financed investments (~3,200 people, 50% women) refers to Indigenous Peoples and Local Community (IPLC) members, Social Forestry enterprises, customary groups, local cooperatives, SMEs, and CSOs in the four project landscapes (Aceh, East Java, North Sulawesi, and East Kalimantan) who will directly receive financial and non-financial support from the PRESERVE project. These benefits include access to grants, concessional loans, guarantees, and insurance products through the AP/OECM Investment Plan at BPD LH; participation in and support from customary community-led KEE forums; and targeted capacity-building on project design, financial management, safeguards, and MRV that enables women and men to lead

and manage AP/OECM conservation and nature-positive enterprises. The estimated 3,200 direct beneficiaries thus reflects the number of individuals whose livelihoods, income opportunities, and decision-making power in biodiversity conservation will be directly strengthened by GBFF resources, with a deliberate commitment that at least half of them are women.

ANNEX A: PROJECT FINANCING TABLES

GEF Financing Table

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

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 1	1,096,023.00	104,122.00	1,200,145.00
UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 2	1,315,227.00	124,946.00	1,440,173.00
UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 4	5,151,308.00	489,374.00	5,640,682.00
Total GEF Resources (\$)					7,562,558.00	718,442.00	8,281,000.00

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

200000

PPG Agency Fee (\$)

19000

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG (\$)	Agency Fee(\$)	Total PPG Funding(\$)
UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 1	Grant	28,986.00	2,754.00	31,740.00
UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 2	Grant	34,783.00	3,304.00	38,087.00

UNDP	GBFF	Indonesia	Biodiversity	GBFF Action Area 4	Grant	136,231.00	12,942.00	149,173.00
Total PPG Amount (\$)						200,000.00	19,000.00	219,000.00

Please provide justification

Sources of Funds for Country Star Allocation

(Only for Multi-Trust Fund projects where GEF TF is included)

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
Total GEF Resources					0.00

Indicative Action Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
GBFF Action Area 1	GBFF	1,096,023.00	455,000.00
GBFF Action Area 2	GBFF	1,315,227.00	546,000.00
GBFF Action Area 4	GBFF	5,151,308.00	2,139,000.00
Total Project Cost		7,562,558.00	3,140,000.00

Amount of resource allocated to support actions by IPLCs for the conservation, restoration, sustainable use and management of biodiversity:

Amount

2,000,000.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Environmental Fund Management Agency (BPDLH)	Grant	Investment mobilized	1,000,000.00
GEF Agency	UNDP	Grant	Investment mobilized	2,140,000.00
Total Co-financing				3,140,000.00

Describe how any "Investment Mobilized" was identified

Launched in June 2025, iBioFund is a blended finance mechanism managed by BPDLH and began its operations with initial endowment of USD 1,000,000, provided by philanthropic and international partners to catalyze biodiversity conservation financing. Meanwhile, UNDP will provide co-financing through the project "Institutional Strengthening for Indonesian Environment Fund (IEF) Governance and Oversight (INSIGHT)", which mobilizes approximately USD 2.14 million (NOK 21.25 million, financed by Norway) under UNDP direct implementation to strengthen IEF/BPDLH as Indonesia's national environmental financing vehicle. Project INSIGHT supports comprehensive institutional needs and gap analysis, development of frameworks and roadmaps for legal, regulatory and accreditation reforms, and upgrading of financial, information, safeguard and transparency systems (including MIS and a public dashboard). These investments enhance IEF's governance, fiduciary oversight, and capacity to mobilize, manage and disburse climate and environmental finance, including results-based FOLU Net Sink 2030 contributions and future biodiversity windows.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Nancy Bennet	12/16/2025	Nancy Bennet		nancy.bennet@undp.org
Project Coordinator	Tharuka Dissanaike	12/16/2025	Tharuka Dissanaike		tharuka.dissanaike@undp.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Erik Teguh Primiantoro, S. Hut. MES	Senior Advisor to the Minister for International Relations and Environmental Diplomacy	Ministry of Environment/Environmental Projection Agency	12/11/2025