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

Review PIF and Make a recommendation

Basic project information

GEF ID

11530
Countries

Indonesia
Project Name

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

Agencies

FAO
Date received by PM

3/21/2024
Review completed by PM

3/29/2024
Program Manager

Hannah Fairbank
Focal Area

Biodiversity
Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments
HF 8/5/24:

Cleared.

HF 3/28/24

a.) This project design needs revision to ensure that it is fully aligned with the BD focal area strategy entry points and therefore eligible under the BD FA. In part this will be achieved through revisions to the TOC to ensure logic, assumed causality, revision of activities and review/recalculation of core indicator targets. Please see specific comments, questions and issues identified below.

b.) Yes.

Agency's Comments

Significant revisions were undertaken to ensure the PIF met the eligibility criteria for GEF funding. These revisions were focused on refining the ToC, revising project activities, recalculating core indicator targets, and addressing specific comments, questions, and issues raised by GEF Sec.	Revised the ToC: The ToC was meticulously revised to ensure a clear demonstration of logic and causality. This revision aimed to articulate a more direct linkage between the project activities and the expected outcomes related to biodiversity conservation, particularly outside PAs. The revised ToC now better reflects the pathways through which the project will contribute to the BD focal area's strategic objectives.

Activities revision: In direct response to the feedback, project activities were carefully reviewed and adjusted to align more closely with the BD focal area's entry points. This involved:

Enhancing activities that support the strengthening of policy and governance frameworks for biodiversity conservation outside PAs.

Refocusing on integrated landscape management practices to prioritize biodiversity.

Expanding the engagement of the PS in biodiversity-positive practices.

Amplifying efforts to scale up innovative financing mechanisms that incentivize biodiversity conservation and sustainable use.

Recalculation of Core Indicator targets: Core indicator targets were recalculated to more accurately reflect the project's ambitions and potential impacts on biodiversity conservation. This recalibration ensured that the targets for areas under improved management, species protected, and habitats restored are both ambitious and achievable, aligning with the expectations of the BD focal area.

Enhancement of stakeholder engagement and partnerships: Stakeholder engagement strategies were fortified to ensure broader and more effective collaboration. This involved clarifying the roles and contributions of various stakeholders, including government agencies, local communities, the PS, and NGOs, towards achieving the project's biodiversity conservation goals.

Upgraded M&E framework: An enhanced M&E framework was developed to include SMART indicators specifically tailored to measure progress in biodiversity conservation. This framework is designed to facilitate the tracking of achievements, the effectiveness of project interventions, and to |

	enable necessary adjustments throughout project implementation.
	Integrated knowledge management and capacity building: The project now incorporates comprehensive knowledge management strategies to disseminate lessons learned and best practices in conserving biodiversity outside PAs. This includes targeted capacity-building activities to enhance the skills and capabilities of local stakeholders in implementing effective conservation practices.

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments
HF 8/5/24:

Cleared.

HF 3/28/24

a.) Please include in the project summary a brief discussion of the key expected results/GEBs for globally significant biodiversity. This summary should be a short stand-alone piece that provides an overview of the project.

Several fundamental questions/issues that will impact the project design, including the summary of the project:

b.) The proposed project intends to focus on areas outside of the Protected Areas and using an uncommonly used term, ?areas important for biodiversity and ecosystem services (AIBDES).? Please clearly explain this term/acronym and whether this is used officially in Indonesia? Or coined recently for this concept? Is it synonymous with OECM? If so, we suggest using OECM to be better understood. If not, please explain, here and in the concept.

c.) What criteria are being used to identify AIBDES? How are these areas defined? Please note that the GEF-8 BD strategy is focused on areas of global biodiversity significance, not ecosystem services per se, since ES are a co-benefit of GEF investment and are often of most local or national value. In terms of identifying BD targets and geographies, for BD STAR projects, global biodiversity significance needs to be first criteria, with an explanation of the criteria to identify areas/targets of global biodiversity significance.   Please revise accordingly.

a.) Please include in the project summary a brief discussion of the key expected results/GEBs for globally significant biodiversity. This summary should be a short stand-alone piece that provides an overview of the project.	The project summary was updated to include a concise yet comprehensive discussion of the key expected results and GEBs for globally significant biodiversity. This updated summary now serves as a standalone piece providing an overview of the project's ambition to enhance the conservation and sustainable use of forested AIBDES in Indonesia, especially outside PAs. The emphasis was placed on clarifying the project's alignment with the biodiversity focal area's strategic objectives and detailing the anticipated GEBs, ensuring a clear understanding of the project's global significance.	Updated project summary. The revised summary ensures that the project's goals, strategies, and expected outcomes are clearly communicated, highlighting the project's contribution to GEBs and its alignment with the BD focal area's strategic objectives.
Several fundamental questions/issues that will impact		

the project design, including the summary of the project: b.) The proposed project intends to focus on areas outside of the Protected Areas and using an uncommonly used term, ?areas important for biodiversity and ecosystem services (AIBDES).? Please clearly explain this term/acronym and whether this is used officially in Indonesia? Or coined recently for this concept? Is it synonymous with OECM? If so, we suggest using OECM to be better understood. If not, please explain, here and in the concept.	The term ?Areas Important for Biodiversity and Ecosystem Services (AIBDES)? is proposed by the Ministry of Environment and Forestry (MoEF), specifically for this project. The term designates important biodiversity areas identified through extensive spatial analysis and a nationwide biodiversity inventory conducted by the MoEF, specifically the Directorate of Ecosystem Management and Restoration (BPPE). These efforts highlighted that approximately 23 million hectares out of the 39 million hectares identified in the Forestry and Other Land Use (FOLU) Net Sink 2030 strategy hold high conservation values (HCV), thus qualifying as AIBDES??. Currently there is no mechanisms to recognise OECMs in Indonesia. Unlike OECM, which are geographically defined areas outside of PAs with governance aimed at sustained biodiversity outcomes, AIBDES can include areas both inside and outside PAs, focusing broadly on biodiversity and ecosystem functions, including carbon storage. This term was selected to reduce confusion with the ?verified HCV areas? previously used in national strategies, which are commonly associated with production forestry certified under Indonesia Sustainable Palm Oil (ISPO) and FSC certifications??. AIBDES not only aligns more closely with international conservation language but also directly corresponds to	The project summary was revised: ?The project targets Areas Important for Biodiversity and Ecosystem Services (AIBDES)?a term specifically chosen to include both areas inside and outside protected areas, encompassing regions crucial for biodiversity and offering ecosystem services like carbon storage. This term aligns with the terminology in Target 3 of the Kunming-Montreal Global Biodiversity Framework and is distinct from Other Effective Area-Based Conservation Measures (OECM) in that it is not limited to areas outside of officially recognized protected areas.?

| | the terminology used in Target 3 of the Kunming-Montreal Global Biodiversity Framework, Inemphasizing ?areas of particular importance for biodiversity and ecosystem functions and services.? This strategic choice enhances clarity for both international and local stakeholders and integrates into Indonesia?s broader environmental and conservation goals.

By adopting AIBDES, we aim to ensure a clear understanding of its use within the project context, distinguishing it from OECM and reinforcing its critical role in conserving biodiversity across diverse landscapes in Indonesia. | |

| c.) What criteria are being used to identify AIBDES? How are these areas defined? Please note that the GEF-8 BD strategy is focused on areas of global biodiversity significance, not ecosystem services per se, since ES are a co-benefit of GEF investment and are often of most local or national value. In terms of identifying BD targets and geographies, for BD STAR projects, global biodiversity significance needs to be first criteria, with an explanation of the criteria to identify areas/targets of global biodiversity significance. Please revise accordingly. | AIBDES have been identified based on comprehensive criteria set by the Ministry of Environment and Forestry (MoEF), focusing on two main aspects:

1. **High Biodiversity Value**: AIBDES are evaluated through a detailed scoring system that considers several ecological and environmental variables. This includes the assessment of plants and wildlife, particularly rare, threatened, or endangered species; land cover quality; surface water availability; and other ecological factors like ecosystem type, topography, soil type, and carbon stock, as detailed in regulation Number P.8/2020.
2. **Threat of Biodiversity Loss**: The areas are further assessed for threats that could lead to significant biodiversity loss, such as habitat | This was revised accordingly in the PIF. |

degradation, illegal logging, and other anthropogenic pressures.

To ensure alignment with the GEF-8 BD strategy?s focus on global biodiversity significance, the MoEF conducted additional analyses to identify AIBDES that host globally significant species and habitats, including endemic species and ecosystems providing essential ecological functions. These analyses helped prioritize specific AIBDES for intervention under the proposed project, ensuring they meet global conservation criteria.

The selected AIBDES for this project were chosen through a rigorous country-led consultative process, focusing on those areas that exhibit high global biodiversity significance. This aligns the project with Target 3 of the Kunming-Montreal Global Biodiversity Framework, which emphasizes the protection of ?areas of particular importance for biodiversity and ecosystem functions and services.?

This approach ensures that while ecosystem services such as carbon storage and water purification are recognized as co-benefits, the primary focus of the AIBDES remains on conserving biodiversity at a scale crucial for global ecological health. This clarification is incorporated throughout the PIF to ensure a clear understanding of AIBDES, their strategic importance in global biodiversity

	conservation efforts, and their distinction from OECMs.	

3 Indicative Project Overview

3.1 a) Is the project objective presented as a concise statement and clear?
b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments
HF Sept 10, 2024

All cleared.

HF 8/5/24:

3.1 a) Cleared.

b) Updates/changes noted and cleared. Based on this updated text on components and outcomes, please see the following comments:

b.i) 1.1.2 *A comprehensive national vision and action plan that aligns with both national priorities and global biodiversity conservation goal.* This sounds redundant with NBSAP which should just have been updated per 2030 goals and targets. How does 1.1.2 relate to NBSAP?

b.ii) Component 2: *Integrated landscape-level governance for sustainable biodiversity management in AIBDES outside PAs* is characterized as ?investment? rather than ?technical assistance? given the scope of what is proposed. Please either explain, or revise.

b.iii) In order to achieve Component 2 outcomes and true integrated landscape management and planning, and overcome the barriers listed in the PIF, cross-jurisdictional (vertically/horizontally) and cross-ministry (e.g. outside of environment/NRM) work and cooperation will be required, specifically with ministries, law makers and government decision makers across sectors. There are many, many examples of ODA investments in this exact approach over the last two decades. New investment, including this project, should understand, learn from and build on this history and body of knowledge and learning (across all components and included in cooperation section). Please further develop this during PPG and include at CER.

b. iv) Component 3, 3.1.4 on HWC: Please ensure any HWC activities are carefully reviewed and included in the SES review to prevent and mitigate unintended negative consequences on wildlife and humans-particularly of infrastructure development (e.g. fences and physical barriers). Further please engage in and draw on a significant

community of practice and resources on HWC through the Global Wildlife Program, for which Indonesia is a long-time partner (GEF-6, 7 & 8): https://www.worldbank.org/en/programs/global-wildlife-program/themes#2 and gwp-info@worldbank.org

b. v) Biodiversity *conservation rather than preservation* is the understood norm in the sector. Recommend revising language throughout PIF.

c.ii) See b.iv above regarding safeguard reviews of any HWC activities, particularly that of built infrastructure that could have significant negative ecological and wildlife impacts. Also, given the PS is envisioned as a co-financier shouldn't this be included in indicative co-finance? Presumably given the impacts of HWC on PS operations and bottom line, the PS presumably has interest and should be expected to pay for HWC mitigation directly.

Remainder of comments cleared.

HF 3/28/24

3.1 a) The project objective should be clarified as this is a single focal area biodiversity project taking a landscape approach (please note related comments on ecosystem services, BD strategy alignment and co-benefits to be identified/treated as such in the design).

b.) This project design could be improved by focusing on essential activities and outcomes that are needed to improve integrated landscape management in high biodiversity geographies. Therefore, please rework the proposed project components, outcomes and outputs to clarify and simplify based on a clear TOC that will result in benefits for globally significant biodiversity (see later comment on TOC, we recommend addressing those first). Please consider these detailed comments that are intended to point to areas that are in need of revision.

c) Component 3 on Private Sector-Driven Integrative Forest Resilience and Conservation.

i.) It isn't entirely clear how and to what end the private sector will "drive forest resilience and conservation". Please explain what is envisioned, which private sector? What are the incentives for PS to "drive" conservation, particularly in landscapes where plantation agriculture may have driven biodiversity loss and deforestation? Does the governance in the jurisdictions exist to prevent further degradation and support increased conservation exist, or will they be supported in parallel?

ii.) Private sector engagement will contribute to mitigating HWC (Component 3 description in ToC narrative and Output 3.1.4) ? It is unclear here what is envisioned, how will the PS contribute to HWC?

iii.) Community-based ecosystem restoration is classified as Output 3.1.2 under Component 3 Private Sector driven activities. Does it belong in Component 3 or elsewhere? Please address.

 iv.) Output 3.1.6 and Output 4.1.3 are both market access and seem duplicative. Please reconcile the two and clarify how this will contribute to targeted BD GEBs.

 d.) Component 4 for is titled ?Sustainable finance for improved livelihoods?.

i.) The target here is livelihoods development, without a clear linkage to how it will contribute to GEBs for globally significant biodiversity. Please clarify the theory of change of this component and how it will result in not only improved livelihoods but also GEBs for globally significant BD and rework the component as necessary.

ii.) Output 4.1.2 ?New PES opportunities identified?? and Output 4.1.5 ?other innovative biodiversity and climate financing opportunities identified.? Given the significant level of GEF and co-finance investment in this proposed project and Component we would envision this going far beyond **identifying** these activities, but in fact **implementing** them and quantifying **benefit/result** (GEBs and financial) is expected. Please address/revise.

iii.)   This is a 100% Biodiversity focal area project. Output 4.1.4 ?linkage and access to carbon finance and carbon domestic market strengthened? does not seem well linked with reducing drivers of biodiversity loss and producing BD GEBs, further please see remark regarding carbon credits. Please explain, revise or remove.

Agency's Comments
<mark>Responses to comments made on 8/5/24</mark>

Comments	Secretariat's Comments	Responses

3.1b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?	08/05/2024 3.1b) Updates/changes noted and cleared. Based on this updated text on components and outcomes, **please see the following comments:** b.i) 1.1.2 *A comprehensive national vision and action plan that aligns with both national priorities and global biodiversity conservation goal.* This sounds redundant with NBSAP which should just have been updated per 2030 goals and targets. How does 1.1.2 relate to NBSAP?	**Addressed.** Owing to the ongoing development process of the IBSAP with GIZ support which should be concluded by the start of the PPG stage, the output was removed from the ?Indicative Project Overview? table in page 3, from the TOC figure in page 14 and from the description of Component 1 in page 15.
	b.ii) Component 2: *Integrated landscape-level governance for sustainable biodiversity management in AIBDES outside PAs* is characterized as ?investment? rather than?technical assistance? given the scope of what is proposed. Please either explain, or revise.	
	b.iii) In order to achieve Component 2 outcomes and true integrated landscape management and planning, and overcome the barriers listed in the PIF, cross-jurisdictional (vertically/horizontally) and cross-ministry (e.g. outside of environment/NRM) work and cooperation will be required, specifically with ministries, law makers and government decision makers across sectors. There are many, many examples of ODA investments in this exact approach over the last two decades. New investment, including this project, should understand, learn from and build on this history and body of knowledge and learning (across all components and included in cooperation section). Please further develop this during PPG and include at CER.	**Addressed.** Component 2 is now mapped as Technical Assistance in the column ?Component Type? of the ?Indicative Project Overview? table in page 4. **Noted and will be addressed at PPG stage.** A note on the importance of capitalizing on past efforts to inform the design of the Component was made in the description of Component 2 in p. 16.
	b. iv) Component 3, 3.1.4 on HWC: Please ensure any HWC activities are carefully reviewed and included in the SES review to prevent and mitigate unintended negative consequences on wildlife and humans-particularly of infrastructure development (e.g. fences and physical barriers). Further please engage in and draw on a significant community of practice and resources on HWC through the Global	The PPG team will endeavor to work with all stakeholders to capitalize lessons learnt and replicate good practices for successful cross-sectoral and cross-jurisdictional

	Wildlife Program, for which Indonesia is a long-time partner (GEF-6, 7 & 8): https://www.worldbank.org/en/programs/global-wildlife-program/themes#2 and gwpinfo@worldbank.org b. v) Biodiversity *conservation rather than preservation* is the understood norm in the sector. Recommend revising language throughout PIF.	work planning and implementation.
	c.ii) See b.iv above regarding safeguard reviews of any HWC activities, particularly that of built infrastructure that could have significant negative ecological and wildlife impacts. Also, given the PS is envisioned as a co-financier shouldn't this be included in indicative co-finance? Presumably given the impacts of HWC on PS operations and bottom line, the PS presumably has interest and should be expected to pay for HWC mitigation directly.	**Noted and will be addressed at PPG stage.** A note on the need to implement measures to prevent and mitigate the negative consequences of infrastructure developed for HWC mitigation, building on available knowledge and resources, was made in the description of the output in p. 18. The PPG team will endeavor to engage with the Global Wildlife Program and connect with other relevant efforts (including e.g. FAO?s programme on Sustainable Wildlife Management https://www.swm-programme.info/). **Addressed.** The term ?preservation? was replaced throughout the PIF (8 occurrences).

		Noted and will be addressed at PPG stage. The ESS form will be revised at PPG stage to comprehensively screen risks and their anticipated environmental and social impacts, based on a detailed list of activities. Specifically with regards to PS co-financing, it is understood that PS should fund infrastructures for HWC mitigation. The PPG team will engage further with PS at PPG stage with a view to secure PS co-financing of related investments.

3.1 a) The project objective should be clarified as this is a single focal area biodiversity project taking a landscape approach (please note related comments on ecosystem services, BD strategy alignment and co-benefits to be identified/treated as such in the design).

See related answers above.

The project objective was clarified to reflect its focus as a single focal area biodiversity project adopting a landscape approach, aligning with the BD strategy and treating ecosystem services as co-benefits in the design.

b.) This project design could be improved by focusing on essential activities and outcomes that are needed to improve integrated landscape management in high biodiversity geographies. Therefore, please rework the proposed project components, outcomes and outputs to clarify and simplify based on a clear TOC that will result in benefits for globally significant biodiversity (see later comment on TOC, we recommend addressing those first). Please consider these detailed comments that are intended to point to areas that are in need of revision.

This project design was improved by focusing on essential activities and outcomes that are needed to improve integrated landscape management in high biodiversity geographies. The proposed project components, outcomes and outputs were revised accordingly. The restructuring was specifically tailored to clarify and simplify the relationships between activities, outputs, and outcomes, ensuring that each is directly connected to enhancing biodiversity conservation.

1. **Refocused activities and outcomes:**
   - Each component was revised to focus strictly on essential activities that contribute directly to improved biodiversity conservation within integrated landscape management frameworks.
   - Outcomes were explicitly linked to these activities, ensuring that there is a clear causal pathway that leads to significant benefits for biodiversity.
2. **Simplified and clarified components:**
   - The project components were streamlined to eliminate any redundant or non-essential elements, focusing solely on those that can make the most significant impact on biodiversity.
   - The outcomes and outputs for each component were clearly articulated to show a straightforward path from activity to impact, based on the ToC.
3. **Clear TOC:**
   - The ToC was detailed with if-then causal pathways that logically connect the interventions with their intended effects on biodiversity and ecosystem services. This helps in showing how the project will result in benefits for globally significant biodiversity.
   - Assumptions and impact drivers were identified, ensuring that the ToC not only outlines the desired changes but also considers the necessary conditions for success.

c) Component 3 on Private Sector-Driven Integrative Forest Resilience and Conservation.

i.) It isn?t entirely clear how and to what end the private sector will ?drive forest resilience and conservation?. Please explain what is envisioned, which private sector? What are the incentives for PS to ?drive? conservation, particularly in landscapes where plantation agriculture may have driven biodiversity loss and deforestation? Does the governance in the jurisdictions exist to prevent further degradation and support increased conservation exist, or will they be supported in parallel?

Under Component 3, the project strategically collaborates with key operators managing extensive forest areas within the targeted AIBDES to maximize the coverage of

conservation interventions, enhance project visibility, and increase the potential for replication. Identified operators include:

(i)   **Sinar Mas Group**, which manages extensive pulp plantation concessions totaling 543,740 hectares in South Sumatra?s Ogan Komering Ilir region. (ii) **Perum Perhutani**, a state-owned enterprise that focuses on timber and non-timber production, agroforestry, and ecotourism in Central Java.

These operators are integral to driving significant conservation outcomes through their extensive land control, legal obligations to conservation and proactive management practices. In addition to their legal obligations to participate into conservation, notably thanks to the regulation on ISPO issued by the Ministry of Agriculture which obliges palm oil companies to carry out conservation on their concessions (Ministry Agriculture Regulation Number 38 Year 2020 on Implementation of Indonesian Sustainable Palm Oil Plantation Certification), they have recognized multiple incentives for engaging in the project, including:

•Co-funding of restoration activities and infrastructure projects that mitigate wildlife damage.
•Improved relationships with local communities, leading to a more stable operational environment.
•Enhanced compliance with regulatory requirements and support for corporate social responsibility (CSR) initiatives.
•Leadership in sustainable practices, attracting further investment and enhancing market access.
Governance Enhancement: Recognizing that current governance within the targeted jurisdictions is insufficient to prevent degradation and support increased conservation, this key barrier identified in the project?s Theory of Change will be addressed through strengthened policy frameworks. Component 1 enhances this effort by:

•Ensuring regulatory oversight to maintain sustainable practices by private operators.
•Establishing coordination mechanisms between government bodies and private entities to enforce environmental policies effectively.
This strategic approach ensures that governance improvements and private sector engagement are interlinked, providing a robust foundation for achieving the project?s conservation goals.

Component 3 was refined to clearly outline the catalytic role of private sector involvement in forest resilience and conservation within AIBDES outside PAs. It recognizes and integrates the distinct roles of various private sector stakeholders?from large-scale enterprises to community-level producers?into the conservation efforts. This revision not only highlights the specific engagements and roles of the private sector but also details the governance structures that will support these efforts, thereby providing a comprehensive view of how their involvement is pivotal to enhancing forest resilience and conservation across the targeted landscapes.

Revised Text: "The private sector, including large-scale private enterprises such as Sinar Mas Group, and state-owned enterprises like Perum Perhutani, will play pivotal roles in driving forest resilience and biodiversity conservation. These entities are engaged differently, with private enterprises focusing on agroforestry and state-owned enterprises managing both timber and non-timber forest products."

ii.) PS engagement will contribute to mitigating HWC (Component 3 description in ToC narrative and Output 3.1.4) ? It is unclear here what is envisioned, how will the PS contribute to HWC?

Private Sector entities in the targeted AIBDES areas are themselves significantly impacted by wildlife, experiencing challenges such as damage to young trees, tree bark stripping, spread of pathogens among plantation species, increased fire risks, and damage to infrastructure (e.g., roads, fences). Conflicts also directly impact local communities, including predation on livestock and safety risks from encounters with large wildlife. Furthermore, PS activities contribute to HWC by potentially destroying habitats and corridors essential for wildlife, which can change wildlife movement into local settlements. In Indonesia, PS involvement in mitigation of HWC is regulated through (i) Circular Letter of the Directorate General of Sustainable Forest Management Number 7 of 2020 and (ii) Ministerial Instruction on the Protection of Wild Animals from Trapping and Illegal Hunting Inside and Outside the Area.

In alignment with the existing regulatory frameworks, and as delineated in the revised PIF, through Activity 3.1.4 ?Effective Mitigation Strategies for HWCs Established,? PS will co-finance infrastructure projects such as wildlife barriers, which help prevent animals from entering farmlands or plantation areas, thereby reducing theikelyhood of conflicts and damage. Additional tools may include non-lethal deterrents such as scent repellents and noise-making devices to discourage wildlife from foraging or nesting in plantation areas.

Beyond Activity 3.1.4, all initiatives under Component 3 are designed to positively influence HWC mitigation:

•Activity 3.1.1 disseminates best practices for managing HWC.
•Activity 3.1.2 supports wildlife habitat restoration and enhances connectivity.
•Activity 3.1.3 enables early monitoring of potential HWC scenarios.
•Activity 3.1.5 enhances governance frameworks and conflict resolution mechanisms.
This integrated approach ensures that PS contributions are strategically leveraged to reduce HWC, thereby supporting both community welfare and wildlife conservation effectively.

Innovative solutions for mitigating HWCs were incorporated, demonstrating the PS?s role in funding and implementing technologies that reduce these conflicts, thereby supporting both community welfare and wildlife conservation.

iii.) Community-based ecosystem restoration is classified as Output 3.1.2 under Component 3 Private Sector driven activities. Does it belong in Component 3 or elsewhere? Please address.

In the landscapes of South Sumatra and Central Java, community-based ecosystem restoration activities under Component 3 strategically engage the PS to support these activities and leverage their resources, expertise, and technologies in support of biodiversity conservation. PS engagement in this activity is critical to the success of this output, as it involves the PS in all activities conducive to the implementation of intensive community-based ecosystem restoration, PS will be pivotal in supplying essential materials, funding, and innovative technologies that are pivotal for effective restoration. Key features of the revised Output 3.1.2 include:

1. **Strategic collaboration with plantation companies and forest concessions:** In regions like the Sugihan-Simpang Heran landscape in South Sumatra, large plantation companies play a significant role. These companies are encouraged to adopt the High Conservation Value Forest (HCVF) approach and participate in SMART Patrol-based protection patrols, which help delineate and protect areas of high biodiversity value within their operational zones. By integrating these practices, the PS directly contributes to the restoration and conservation of critical habitats.
2. **Leveraging CSR initiatives:** Companies in Central Java, operating around Mount Ungaran and Petung Kriyono, are involved in funding conservation projects through their CSR programs. These initiatives often focus on sustainable land management and supporting local conservation efforts, which are aligned with broader environmental stewardship goals. This alignment ensures that CSR initiatives not only enhance corporate images but also deliver tangible conservation outcomes.
3. **Introduction of sustainable practices and technologies:** The PS introduces advanced technologies and sustainable agricultural practices that minimize environmental impact while enhancing ecosystem resilience. For instance, innovative soil and water conservation techniques and the use of environmentally friendly pesticides and fertilizers support the restoration of ecological balance and improve land productivity.
4. **Capacity building and knowledge sharing:** PS entities often bring a wealth of knowledge and experience that can be shared with local communities. Workshops, training sessions, and on-the-ground support equip local stakeholders with the skills needed to maintain and expand restoration efforts effectively.
5. **Funding and resource allocation:** The involvement of the PS in ecosystem restoration also addresses funding gaps. By investing in restoration activities, businesses contribute financially, which is critical in areas where public funding may be limited. This investment not only supports biodiversity conservation but

also promotes the sustainability of local economies dependent on natural resources.

Output 3.1.2 was refined to include the specific roles and contributions of the PS. The concept now clarifies how private enterprises integrate into the broader conservation strategy, ensuring that their involvement is both strategic and impactful. This approach enhances the scalability and sustainability of restoration efforts, creating a model for private-public-community collaboration that can be replicated in other conservation projects.

iv.) Output 3.1.6 and Output 4.1.3 are both market access and seem duplicative. Please reconcile the two and clarify how this will contribute to targeted BD GEBs.

Thank you for the observation regarding the potential overlap between Output 3.1.6 ?Enhanced market access for the private sector? and Output 4.1.3. ?Market access to biodiversity-positive commodity facilitated?. As a response to this comment, Output 4.1.3 was removed, and the scope and title of Output 3.1.6 were revised.

Output 3.1.6 initially focused on enhancing the engagement of the PS in sustainable forest management, establishing benefit-sharing mechanisms, and ensuring compliance with environmental regulations. Upon review, Output 3.1.6 was rephrased as ?Enhanced partnerships and governance frameworks that support the effective implementation of conservation laws and private sector initiatives?. This includes developing and strengthening partnerships with private sector entities, integrating biodiversity-positive practices within their operations. This approach will create market access for products certified as environmentally friendly and socially responsible, directly supporting biodiversity conservation by promoting market-based incentives for sustainable practices. Output 3.1.6 contributes to biodiversity GEBs by linking economic activities directly to biodiversity conservation outcomes.

By removing Output 4.1.4, we ensure that the project remains focused on distinct and clear objectives, avoiding any potential redundancy and ensuring that each component uniquely contributes to the overarching goals of biodiversity conservation and sustainable economic development.

Output 3.1.6 was renamed into ?Enhanced partnerships and governance frameworks that support the effective implementation of conservation laws and private sector initiatives?.

Output 4.1.3 was removed.

d.) Component 4 for is titled ?Sustainable finance for improved livelihoods?.

i.) The target here is livelihoods development, without a clear linkage to how it will contribute to GEBs for globally significant biodiversity. Please clarify the theory of change of this component and how it will result in not only improved livelihoods but also GEBs for globally significant BD and rework the component as necessary.

The revision of Component 4 aligns financial mechanisms with direct biodiversity conservation outcomes, ensuring every implemented strategy substantively contributes to GEBs. This revision enhances the specificity of each activity and its expected outputs, establishing a definitive linkage between improved livelihoods and significant conservation gains.

A detailed TOC was developed. It outlines the causal pathways through which sustainable financial mechanisms not only support but actively drive improvements in livelihoods and ecological health. By explicitly linking financial inputs to conservation outputs, the revised Component 4 provides a comprehensive framework that illustrates how innovative financing strategies can achieve tangible biodiversity conservation outcomes while supporting sustainable development goals.

This cohesive approach ensures that the project stakeholders, including local communities, PS, and conservation organizations, are engaged in mutually beneficial activities that deliver both economic and environmental returns. The implementation of this component is expected to set a precedent for how financial strategies can be effectively utilized to foster biodiversity conservation on a global scale.

Revised Component 4: Sustainable finance for biodiversity conservation and sustainable livelihoods

Objective: Implement and operationalize financial mechanisms to support both biodiversity conservation and sustainable livelihood improvements in high-value areas outside PAs.

Transformation Pathway 4: Financing biodiversity conservation for GEBs and livelihoods improvements

1. Operationalization of Payment for Ecosystem Services (PES):
   - Activity description: Transition from identifying to actively implementing PES schemes. These schemes will be designed to directly reward actions that contribute to ecosystem health and biodiversity conservation.
   - Expected Output 4.1.1: PES schemes fully operational, with clear documentation of payments tied to specific conservation outcomes and impacts on biodiversity and ecosystem services.

2. Implementing innovative financing instruments for biodiversity conservation:
   - Activity description: Move beyond the identification phase to launch and manage innovative financing instruments such as conservation bonds or biodiversity offsets. These instruments will fund measurable conservation projects that have direct impacts on biodiversity.
   - Expected Output 4.1.4: Conservation bonds and biodiversity offsets actively funding projects, with results quantified in terms of biodiversity

3. Integration of livelihood improvements with biodiversity gains:
   - Activity description: Design and implement projects that improve livelihoods through sustainable use practices that also enhance biodiversity. Examples include agroforestry practices that increase habitat connectivity and ecological forestry that enhances species diversity. The projects designed under this component, such as sustainable agroforestry and ecological forestry practices, directly improve local livelihoods while simultaneously enhancing biodiversity. These activities are selected and structured to restore and protect critical habitats, thereby supporting in particular biodiversity conservation.
   - TOC: By integrating sustainable livelihood projects with biodiversity conservation efforts, the financial mechanisms will not only support community well-being but also ensure the preservation and enhancement of globally significant biodiversity.
   - Expected Output 4.1.2: Projects that simultaneously improve livelihoods and contribute to biodiversity conservation are implemented, with outcomes that reflect gains in both areas.

Governance and monitoring enhancements:

- Activity description: Establish rigorous monitoring and governance frameworks to ensure financial mechanisms are transparently managed and directly contribute to conservation targets.

ii.) Output 4.1.2 ?New PES opportunities identified?? and Output 4.1.5 ?other innovative biodiversity and climate financing opportunities identified.? Given the significant level of GEF and co-finance investment in this proposed project and Component we would envision this going far beyond **identifying** these activities, but in fact **implementing** them and quantifying **benefit/result** (GEBs and financial) is expected. Please address/revise.

Thank you for the insightful feedback highlighting the need for a more action-oriented approach towards the effective implementation of financial mechanisms within the project. In response, significant revisions were made to Outputs 4.1.2 and 4.1.5 to ensure not only the identification but also the full implementation and effective measurement of the impacts of these financial mechanisms. The focus was adjusted to emphasize the operationalization of these mechanisms and their direct contribution to biodiversity conservation efforts, as well as guaranteeing funding after project end.

Revised Outputs:

Output 4.1.2 - Originally "New PES opportunities identified?"

Revised to: "Fully operational PES schemes implemented, with payments directly linked to verified conservation outcomes."

Rationale for revision: This change shifts the focus from identification to the actual implementation and operation of PES schemes. It ensures that these mechanisms are not only recognized but are actively functioning and generating measurable benefits for biodiversity.

Output 4.1.5 - Originally ?other innovative biodiversity and climate financing opportunities identified?

Revised to: "Innovative biodiversity and climate finance mechanisms implemented, actively financing projects with quantifiable results in biodiversity improvements and ecosystem resilience." (now Output 4.1.3)

Rationale for revision: This revision expands the scope from merely identifying potential financing opportunities to implementing and actively using these mechanisms to fund biodiversity conservation projects. This includes setting up frameworks to track financial flows and their impacts on conservation goals.

Implementation details:

•**Monitoring and Evaluation:** Both outputs will include a robust set of metrics and indicators to measure the ecological and financial impacts of the implemented financial mechanisms. This approach ensures that the outcomes are not only theorized but are evidenced by concrete data, aligning with the GEF?s expectations for quantifiable results.
•**Stakeholder engagement:** Implementation will involve close coordination with local communities, governmental agencies, and PS partners to ensure that these financial mechanisms are tailored to local needs and conservation priorities, maximizing their effectiveness and sustainability.
iii.)   This is a 100% Biodiversity focal area project. Output 4.1.4 ?linkage and access to carbon finance and carbon domestic market strengthened? does not seem well linked with reducing drivers of biodiversity loss and producing BD GEBs, further please see remark regarding carbon credits. Please explain, revise or remove.

Incorporated methodologies for tracking and reporting on the ecological and financial impacts of the implemented financial mechanisms, ensuring that all outcomes are measurable and reported.

Thank you for highlighting the need for greater clarity on how carbon finance is linked to biodiversity benefits in this project. In response, Output 4.1.4 was removed, and the focus of mechanisms implemented under Component 4 focus is now more directly tied to biodiversity conservation objectives.

Outlined the metrics and indicators used to quantify the biodiversity gains and financial benefits arising from each financial mechanism.

Removed Output 4.1.4

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments

HF 3/28/24

Yes.

Agency's Comments

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

HF 3/28/24

Yes.

Agency's Comments

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments
HF 3/28/24

Yes

Agency's Comments
4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments
HF Sept 10, 2024

All cleared.

HF 3/28/24

a.) Please address.

b.) Please address.

c.) Please address.

d.) Yes.

Agency's Comments

a) Is there an indication of why the project approach has been selected over other potential options?	The project approach, focusing on integrated landscape management and governance mechanisms, has been selected due to its comprehensive ability to address the multiple and interconnected challenges that contribute to biodiversity loss in Indonesia. This approach is preferred over others because: •**Multidisciplinary integration:** It integrates policy, financial, community, and PS engagement strategies, providing a holistic response to the complex issues of deforestation, habitat fragmentation, and unsustainable land use. •**Alignment with national and international goals:** The approach aligns with Indonesia?s national conservation strategies and legal frameworks, ensuring coherence with existing initiatives and enhancing government buy-in. At global level, the project is fully supportive of KMGBF targets 1 and 3, priorities under the IUCN Red List (Tiger and Elephant in Sumatra, gibbon, leopard, and eagle in Central Java) •**Stakeholder support and potential for**	Inclusion of strategic rationale: Detailed justification for the chosen project approach was added to the Project Rationale section, highlighting its benefits over alternative strategies and its alignment with national priorities. The following paragraph was added to the rationale: ?The chosen project approach, centered on integrated landscape management and governance, was selected for its comprehensive ability to address both direct and indirect drivers of biodiversity loss in Indonesia. This approach leverages multi-disciplinary methods to ensure sustainable land use and conservation practices, which are more effective compared to fragmented or sector-specific approaches. It is aligned with national conservation strategies and international commitments, ensuring that the project interventions are both scalable and sustainable.?

	higher involvement: It facilitates extensive stakeholder engagement, crucial for ensuring the sustainability and local relevance of conservation efforts.	

b) Does it ensure resilience to future changes in the drivers?	This project approach is designed to be adaptable, ensuring resilience against future ecological, economic, and social changes. Key elements include: •**Dynamic Monitoring and Evaluation:** Regular assessments enable the project to adapt to changes in environmental conditions, stakeholder needs, and global conservation trends. •**Flexible financial mechanisms:** Financial strategies like PES and other potential innovative financial mechanism are designed to evolve in response to market and policy shifts, securing long-term funding for conservation efforts. •**Community empowerment:** By building local capacity and enhancing community governance, the project empowers local stakeholders to manage their resources sustainably, even as external conditions change.	Enhanced resilience framework: The PIF now includes a comprehensive description of how the project?s design ensures resilience to future changes in drivers, incorporating adaptive management strategies and flexible financial mechanisms. The following paragraph was added to the rationale: ?The project is designed to be resilient to future ecological, economic, and socio-political changes. By incorporating adaptive management strategies and establishing flexible financial mechanisms, the project can adjust to changing conditions while continuing to meet its conservation goals. Regular monitoring and evaluations will enable timely modifications to strategies, ensuring long-term effectiveness and relevance.?

| c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region? | The GEF alternative is crafted to leverage and enhance the impacts of ongoing and previous environmental and conservation investments in Indonesia:

?   The project will synergize with ongoing GEF-funded projects and other international initiatives, such as those aimed at enhancing forest governance and combating illegal logging, or at working with decentralized entities to reward nature-positive action (ongoing GCF), to amplify their impacts and avoid duplication.

?   Lessons from previous efforts, such as the challenges of community engagement and the effectiveness of integrated policy frameworks, are incorporated into the project design to improve implementation strategies and outcomes.

?   By collaborating with programs like the SVLK and efforts under the FLEGT, the project ensures continuity and consistency in advancing legal and sustainable forestry practices.

At regional level, this project offers the opportunity to Indonesia to | Strengthened linkages with existing investments: A new section was included that explicitly describes how the GEF alternative builds on and complements ongoing and previous GEF and non-GEF investments. This section outlines the synergies created, lessons learned, and how these experiences shape the current project?s strategies and expected outcomes.

The following paragraph was integrated towards the end of the ?Project Rationale? section: "This project builds on the foundation laid by previous and ongoing GEF and non-GEF investments in Indonesia?s conservation sector. By integrating lessons learned from these initiatives, such as the importance of community engagement and the need for robust governance frameworks, the project enhances the impacts of existing efforts and avoids redundancy. Collaborations with established programs like the SVLK and initiatives under FLEGT licensing provide a continuity of efforts, ensuring that new strategies are informed by proven practices and contribute to cumulative conservation gains.? |

	potentially engage in relevant regional knowledge exchange or the Primary Forest Investment Forum to be organized within the scope of the GEF8 Indo-Malaya Critical Forest Biome Integrated Programme.	

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

HF 8/5/24

Cleared.

HF 3/28/24

a.) i.) Not yet. The TOC in Figure 1 lacks clear causal pathways and project outcomes to help the reviewer understand what is proposed and how the project will measure and monitor key assumptions and ultimately, results. In addition, the area below the redline of ?project remit? doesn?t include the expected results and impacts of the project investment. Further, the BD STAR is meant to produce BD global environmental benefits. Please ensure this is retained throughout the integrated project design. Please clarify and revise the TOC keeping in mind that a clear theory of change in narrative format (e.g. explained) is more useful than a complex figure.

 ii.) Please, articulate a **clear Theory of change in narrative format**, including IF?.THEN statements so to clarify the   causal relationships and critical assumptions that underpin the TOC and concept.

 iii.) Please clarify the actions proposed that are expected to lead to the targeted GEBs in identified landscapes. In particular:

   What will this project support that will lead to improved sustainable management in agroforestry systems in the identified areas? From current information provided, agroforestry systems are already in place in 85% of these landscapes, so it is confusing

how agroforestry systems will be developed in these landscapes. What would such actions be? And how does this address the identified drivers of globally significant biodiversity?

In the current project description, the actors identified in these landscapes are palm oil companies and forest concessions, with   proposed revisions of their management plans. Please clarify how engagement with these actors is expected to yield the   identified GEBs (see previous questions about Component 3).

How will areas be identified for afforestation/reforestation, for avoided deforestation, and which are identified for monitoring/fire   management? And how are these linked to BD GEBs?

The logframe refers to ?linkages and access to carbon finance and carbon domestic market strengthened?. In case it is planned that any of the GHG reductions generated by the project are expected to be transferred as offset and not retired, then *these GHG emission reductions should not be reported in the PIF since if it is used as offset, it cannot be counted towards GEF Core Indicators (in such case, please disregard the entire sets of comments on the indicator section that pertain to GHG results and simply report 0)*.

   iv.) **The assumptions** that are identified in the PIF are assumptions about context factors that are outside of the project?s sphere of influence/control. Two questions on this: i.) The context that is described, therefore, seems like an ?ideal scenario? or ?best case? rather than the reality of the current conditions. If this is accurate then please revise to depict current conditions/context and how the project aims to adapt and create value despite the challenges. This will help to address the question about resilience as well. Ii.) Additionally, one of the most important elements of a TOC and causal chain that seems to be lacking, which is a description of the assumptions about action and reaction/result, which should be the basis of a TOC. In other words, please describe the critical assumptions about what is expected to happen as a result of proposed project activities based on what is known/understood about the drivers identified and the situational analysis? These key assumptions and leverage points should then be the basis for project monitoring, adaptive management and eventual evaluation (e.g. ?is what we thought would happen to Y (outcome) if we do X (activity or input) actually happening? Why or why not? What should we do to adapt?)

vi.) Figure 1 is not easily legible as the image quality is low so it is blurry. Once the TOC is revised/clarified please fix graphic   and include in the body of the PIF as well as an attachment in the Documents Tab.

b.) Yes.

Agency's Comments

a.) i.) Not yet. The TOC in Figure 1 lacks clear causal pathways and project outcomes to help the reviewer understand what is proposed and how the project will measure and monitor key assumptions and ultimately, results. In addition, the area below the redline of ?project remit? doesn?t include the expected results and impacts of the project investment. Further, the BD STAR is meant to produce BD global environmental benefits. Please ensure this is retained throughout the integrated project design. Please clarify and revise the TOC keeping in mind that a clear theory of change in narrative format (e.g. explained) is more useful than a complex figure.	Thank you for your comment, the PIF was revised accordingly.	Revised
ii.) Please, articulate a **clear Theory of change in narrative format**, including IF?.THEN statements so to clarify the causal relationships and critical assumptions that underpin the TOC and concept.	Thank you for your comment, the PIF was revised accordingly.	Revised
iii.) Please clarify the actions proposed that are expected to lead to the targeted GEBs in identified landscapes. In particular:	Thank you for your comment, the PIF was revised accordingly (see below detailed explanations).	Revised

What will this project support that will lead to improved sustainable management in agroforestry systems in the identified areas? From current information provided, agroforestry systems are already in place in 85% of these landscapes, so it is confusing how agroforestry systems will be developed in these landscapes. What would such actions be? And how does this address the identified drivers of globally significant biodiversity?	The project will support several specific actions: 1. Enhancing agroforestry practices: Even though agroforestry is already practiced in the targeted landscapes, the project will introduce improved management practices that are biodiversity-friendly and sustainable. This includes introducing more diverse and native species to these systems, which can enhance biodiversity within agricultural landscapes and improve ecosystem resilience. 2. Capacity building and technical assistance: The project will provide training and technical assistance to farmers and land managers on advanced agroforestry techniques. These sessions will focus on sustainable practices that maintain productivity while enhancing biodiversity, such as integrated pest management, soil fertility management, and water conservation techniques. 3. Linking biodiversity conservation with agroforestry: Actions will be taken to explicitly link biodiversity conservation goals with agroforestry practices. This involves strategic planning to place agroforestry in locations that can serve as biological corridors or buffer zones to protected areas, thereby extending habitat spaces and reducing edge effects. 4. Incentives for biodiversity-positive practices: the project aims to develop and implement incentive mechanisms for landowners and farmers who adopt biodiversity-positive agroforestry practices. These might	Revised: In Output 3.1.1, agroforestry was added in the overview table and project description. By specifically mentioning agroforestry, the output clarifies that the project aims to integrate agricultural practices with forest conservation efforts, enhancing habitat connectivity and promoting sustainable land use that benefits both biodiversity and agricultural productivity. This revision also ensures that the integration of agroforestry systems is seen as a complementary strategy to the existing HCVF approaches and SMART Patrol-based protection systems, thereby broadening the scope of biodiversity-positive practices. Output 3.1.5 was also expanded to include sustainable land management and the implementation of agroforestry. This addition broadens the scope of community involvement by emphasizing not only the economic aspects of biodiversity conservation but also the practical implementation of land management that enhances ecological health. By specifying agroforestry, the output directly links to sustainable agricultural techniques that integrate tree planting with crop and livestock farming, which can improve biodiversity, enhance soil structure, and increase carbon sequestration.

| | include payments for ecosystem services, tax breaks, or access to premium markets. 5. Monitoring and Evaluation: To measure the impact of improved agroforestry practices on biodiversity, a robust monitoring and evaluation framework will be established. This will track changes in species diversity, ecosystem services, and habitat connectivity in the project areas. By implementing these actions, the project addresses the drivers of globally significant biodiversity loss, such as habitat fragmentation, degradation, and the simplification of agricultural landscapes. These efforts are aligned with the broader goals of enhancing ecosystem services and supporting sustainable livelihoods, thereby contributing to the conservation of globally significant biodiversity. | |

In the current project description, the actors identified in these landscapes are palm oil companies and forest concessions, with proposed revisions of their management plans. Please clarify how engagement with these actors is expected to yield the identified GEBs (see previous questions about Component 3).	Engagement with palm oil companies and forest concessions is critical to achieving the identified GEBs. It will align with the regulations in place in Indonesia, namely: Circular Letter of the Director General of Sustainable Forest Management Number: SE.7 of 2022 concerning Protection of Wild Animals that are protected in the working area of ??Forest Use Business Licensing (PBPH); Ministerial of Agriculture Regulation Number 38 of 2020 concerning Implementation of Indonesian Sustainable Palm Oil Plantation Certification and RSPO. The project will involve these actors in the following ways: 1. Revised Management Plans: Working collaboratively to revise management plans that incorporate biodiversity-positive practices, such as setting aside conservation areas within concessions and adopting sustainable harvesting techniques that minimize ecological impact. 2. Capacity Building: Providing training and technical support to enhance their understanding and implementation of integrated landscape management practices that are aligned with biodiversity conservation. 3. Incentives for Sustainable Practices: Developing incentive mechanisms such as certification schemes or access to premium markets for products derived from biodiversity-friendly	Revised: Specific details regarding the engagement with palm oil companies and forest concessions were added to Component 3 of the PIF. This includes descriptions of collaborative efforts to revise management plans and the inclusion of specific biodiversity conservation targets within those plans. Additionally, the role of these actors in implementing sustainable practices and their participation in incentive schemes have been clarified. This ensures a clear linkage between the engagement of these key actors and the expected GEBs, aligning their operational activities with the project's conservation goals.

	practices. 4. Monitoring and Reporting: Establishing systems for monitoring biodiversity outcomes within the management areas of these concessions, ensuring accountability and continuous improvement in management practices. These engagements are expected to reduce habitat fragmentation, enhance ecosystem connectivity, and improve the overall ecological health of the landscapes, directly contributing to the project's GEBs.	
How will areas be identified for afforestation/reforestation, for avoided deforestation, and which are identified for monitoring/fire management? And how are these linked to BD GEBs?	Areas for afforestation/reforestation and avoided deforestation will be identified based on ecological, social, and economic criteria to maximize biodiversity conservation (BD GEBs). These areas will be chosen through spatial analysis to pinpoint high-biodiversity regions that are most vulnerable to degradation and deforestation. For monitoring and fire management, areas with high fire incidence and significant carbon stocks will be prioritized to ensure effective management and protection. All selected areas will contribute directly to the project?s biodiversity and climate goals by enhancing habitat connectivity, stabilizing ecosystems, and reducing emissions.	

The logframe refers to ?linkages and access to carbon finance and carbon domestic market strengthened?. In case it is planned that any of the GHG reductions generated by the project are expected to be transferred as offset and not retired, then *these GHG emission reductions should not be reported in the PIF since if it is used as offset, it cannot be counted towards GEF Core Indicators (in such case, please disregard the entire sets of comments on the indicator section that pertain to GHG results and simply report 0).*	All GHG reductions generated by the project are intended to be retired and not used as offsets, ensuring they can be reported under GEF Core Indicators. This aligns with the project's commitment to genuine climate benefits alongside biodiversity improvements.	Clarified in the logframe and project description that GHG reductions will be retired, ensuring they contribute directly to the project?s climate goals and are eligible for reporting under GEF Core Indicators. Set GHG reduction metrics to reflect this decision.

iv.) **The assumptions** that are identified in the PIF are assumptions about context factors that are outside of the project?s sphere of influence/control. Two questions on this: i.) The context that is described, therefore, seems like an ?ideal scenario? or ?best case? rather than the reality of the current conditions. If this is accurate then please revise to depict current conditions/context and how the project aims to adapt and create value despite the challenges. This will help to address the question about resilience as well. Ii.) Additionally, one of the most important elements of a TOC and causal chain that seems to be lacking, which is a description of the assumptions about action and reaction/result, which should be the basis of a TOC. In other words, please describe the critical assumptions about what is expected to happen as a result of proposed project activities based on what is known/understood about the drivers identified and the situational analysis? These key assumptions and leverage points should then be the basis for project monitoring, adaptive management and eventual evaluation (e.g. ?is what we thought would happen to Y (outcome) if we do X (activity or input) actually happening? Why or why not? What should we do to adapt?)	1. We revised the context description to reflect the current conditions rather than an ideal scenario, highlighting how the project will create value despite challenges, ensuring resilience. 2. We added a detailed description of the critical assumptions linking actions to expected results, addressing the drivers of biodiversity loss identified in the situational analysis.	1. We updated the Theory of Change (ToC) to depict realistic scenarios and conditions, specifying adaptive strategies the project will employ. 2. We enhanced the ToC and causal chain to include explicit assumptions about action-reaction dynamics, ensuring these assumptions are integral to project monitoring, adaptive management, and evaluation.
vi.) Figure 1 is not easily legible as the image quality is low so it is blurry. Once the TOC is revised/clarified please fix graphic and include in the body of the PIF as well as an attachment in the Documents Tab.		

5.2 INCREMENTAL/ADDITIONAL COST REASONING

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

Secretariat's Comments
HF 8/5/24

Cleared.

HF 3/28/24

No. Please describe the incremental/additional cost reasoning of this project.

Agency's Comments

No. Please describe the incremental/additional cost reasoning of this project.	The incremental/additional cost reasoning for this project was revised to align with the guidelines specified in GEF/C.31/12. The project aims to enhance BD conservation and sustainable use of natural resources in areas outside PAs by addressing specific barriers that cannot be overcome without GEF intervention.	
	The baseline scenario, funded through government and existing donor support, covers basic forest management, enforcement, and some local community involvement in conservation activities. However, it lacks the comprehensive integration of biodiversity conservation into landscape management and sustainable economic practices that are essential for the long-term preservation of biodiversity in high-value conservation areas.	
	The additional or incremental cost funded by the GEF will enable the integration of advanced biodiversity conservation strategies into the land-use planning and economic activities of the target areas. This includes:	
	1. **Advanced technical assistance**: Implementing modern conservation techniques and practices that are not currently covered by baseline funding. 2. **Capacity building**:	

		Enhancing the capabilities of local communities, private sector and government entities to manage biodiversity more effectively, which goes beyond the current practices funded by baseline sources. 3. **Innovative financial mechanisms**: Developing and implementing mechanisms like Payment for Ecosystem Services (PES) or biodiversity offsets, which are not typically financed through traditional funding but are crucial for sustainable biodiversity financing. 4. **PS engagement**: Engaging the PS in biodiversity-positive practices, requiring a level of coordination, policy support, and incentives that are not available	

	through baseline funding. The incremental costs associated with these activities are necessary to achieve the transformational changes envisioned by the project, which are above and beyond the existing efforts funded by the baseline. These costs will directly contribute to the GEBs by significantly enhancing the conservation and sustainable use of biodiversity in targeted landscapes. By clearly delineating these costs and their justification, the project ensures transparency in how GEF funds are used to address gaps in current funding and efforts, leading to substantial improvements in biodiversity conservation outcomes	

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments
HF 08/05/24

Cleared.

03/29/2024

a.) Please ensure that the response to the implementation framework clarifies the roles/functions and lines between implementation function of FAO and proposed execution partner functions.

b.) If no self-execution by FAO is expected/intended, please indicate this by responding "NO" to the corresponding question in the portal (**Does the GEF Agency expect to play an execution role on this project?)** Please ensure that the response to the implementation framework makes the lines between implementation function of FAO and execution partner functions more clear.

c.) Indonesia participates in BIOFIN, given that this project proposes activities focused on sustainable finance, please explain how it will build on BIOFIN process taken place so far.

d.) No. Please address.

Agency's Comments

a.) Please ensure that the response to the implementation framework clarifies the roles/functions and lines between implementation function of FAO and proposed execution partner functions.	Revisions were made to address these comments by clarifying the roles between the FAO and BPPE, detailing how the project aligns with and builds upon existing initiatives like BIOFIN, and outlining a clear plan for knowledge management and dissemination. By making these aspects explicit in the PIF, the project ensures transparency, efficiency, and effectiveness, aligning with both national goals and global conservation standards.	Added: ?FAO, as the GEF Implementing Agency, will oversee compliance with GEF policies and standards, providing technical support, facilitating international best practices, and ensuring the project's alignment with global environmental goals. Clear roles and responsibilities were defined to prevent overlaps and ensure efficient use of resources. FAO will not perform execution functions but will focus on oversight, quality assurance, and technical assistance.?

b.) If no self-execution by FAO is expected/intended, please indicate this by responding "NO" to the corresponding question in the portal (**Does the GEF Agency expect to play an execution role on this project?**) Please ensure that the response to the implementation framework makes the lines between implementation function of FAO and execution partner functions more clear.	See a) above	The project portal was updated to reflect that FAO will not execute the project, aligning with GEF's operational policies. Added: ?This delineation ensures that the FAO's involvement is strategically focused on leveraging its global expertise to enhance the project's impact without duplicating the efforts of the executing agency.?
c.) Indonesia participates in BIOFIN, given that this project proposes activities focused on sustainable finance, please explain how it will build on BIOFIN process taken place so far.	See a) above	Added ?This project aims to synergize with ongoing GEF-financed projects and other bilateral/multilateral initiatives, including Indonesia's active participation in BIOFIN. Efforts will be made to build upon the sustainable finance mechanisms developed under BIOFIN, ensuring that lessons learned, and successful strategies are integrated into the project's approach. This alignment will enhance the efficiency and impact of the project by leveraging existing resources and avoiding duplication of efforts.?

d.) No. Please address.	See a) above	Added: ?A comprehensive strategy will be implemented to capture and disseminate knowledge generated by this project. This includes establishing a knowledge management system that will document lessons learned, best practices, and case studies. Strategic communication efforts will be enhanced to share insights with broader stakeholders through workshops, publications, and digital platforms. FAO will assist in linking these outputs with global knowledge networks to ensure wide dissemination and impact. These efforts are crucial for replicating successful strategies and informing future conservation initiatives globally.?

5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?

b) Are the project?s indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments

Sept 10, 2024:

Cleared. Please see comments regarding remaining issues with Exact calculations that need to be addressed during PPG and for CER submission.

08/02/2024

a.) i.) clear

ii.) Noting with thanks the corrected/clarified the inconsistency of area size between EX-ACT and PIF. Further explanation on the assumptions on reduced tillage for agroforestry and reduced area for land management are noted. On the afforestation aspect the agency responses clarified that the current land use is not agroforestry but burnt/barren.

For land management: given that the percentage of target area is still quite significant (e.g. 25%) and not necessarily conservative or realistic (quoting the agency responses: "a more conservative and realistic approach will be adopted in the project's TOC and

corresponding calculations at PPG stage"), please develop more conservative estimates for PIF, e.g. by incorporating the suggestions: (1) keep the area improved through land management close to zero, as the work on restoration and reduction of further conversion should be reflected in the LUC section, or (2) indicate how fire occurrence will be improved. At PIF we expect a more conservative approach to target setting and at PPG update or increase with additional information. Please revise.

iii.) Clear.

iv.) Noting that Indicator 3.4 for wetland restoration is. Peatlands are likely to feature strongly in these landscapes, thus should be considered and included at CER if area of focus in target landscapes.

03/29/2024

a.) i.) Please include the PA name(s) and WDPA ID for the PA(s) for indicator 1.

GHG emission reduction calculations (to be produced as co-benefits of BD investments):

ii.) This is a BD focal area funded project with CCM co-benefits. From current understanding of the PIF and of proposed activities, it seems that rather than having a landscape including protected areas going from a medium degradation level to a low degradation level, the proposed activity is rather, on parts of this area, to conduct restoration work (to be calculated in the Land Use Change tab as noted above), on another section, to reduce further conversion (also for the LUC tab), and on the other part of this area, to reduce fire occurrence. Is that the case? IF so, there may need to be a shift in approach in the TOC to achieving BD GEBs. But this also calls into question the selection of the ?Low? degradation level in the scenario with the project in the forest management tab, the more suitable and conservative option would be to adjust the fire occurrence parameter while leaving the degradation level unchanged at medium. Please address or explain.

iii) For afforestation, if as described in the calculation sheet the initial land includes areas currently under agroforestry, then the current computation is incomplete as it only refers to annual fallows as initial land-use. Taking this into account, the output would therefore expected to be lower. Please address or explain.

BACKGROUND on Ex-Act review:

Based on a review of the Ex-Act excel sheet, is our understanding that this project will produce emission reduction co-benefits through three pathways:

(i) ?forest management? through avoided degradation (monitoring, protection against fire and increased cultivation) and restoration activities

(ii)	?afforestation/reforestation? on an area initially bare/burnt or used for coffee agriculture, which is proposed to be turned into multi-purpose tree species (from details provided this seems to be a mix of agroforestry (coffee) and non-agricultural forested areas);

(iii)	carbon sequestrating agricultural practices (mainly SLM agroforestry landscapes).

However, there are some inconsistencies in the hectarages used, including: **for forest management**, 91,449 ha are used as input data, referring to PIF page 19 as the source of information. However, on this table, 91,449 is not a figure corresponding to hectares of protected areas, but to the population residing in the Petung Kriyono protected area landscape in Central Java. The total areas provided in the PIF are actually 3,839, ha 11,411 ha and 8,010 ha respectively for Ungaran, Muria and Petung Kriyono landscapes in Central Java, and 634,145 ha for Sugihan Simpang Heran landscapes in South Sumatra. How the final surface is identified among these should be clarified (which is surely not 91,449 ha as this seems rather to be a typo from a copy-pasting made on the population instead of area). From percentages provided in the PIF, the protected area in these landscapes corresponds to approximately 68% of 3,839 he and 44% of 11,411 ha, so it would not be expected to be higher than 8000 ha. Please double check whether this number is also valid for indicator 1, as currently reported in the PIF. **For afforestation**, 8,512 ha are reported in calculation sheet as input data, referring again to PIF page 19 as the source of information, and again not corresponding to any of the provided hectarage in the table. Please clarify how the final surface is identified among these as the PIF refers back to the exact sheet on this topic. Please double check whether this number is also valid for indicator 3, as currently reported in the PIF.   For **sustainable land management in agroforestry** systems, about 85% of the total surface area is used as input, 560,674 ha. However, in the calculation module, what is computed is that only 336.585 ha will have improved practices through increased C input under reduced tillage, with the rest of the area remaining in its current practice. While this is not an issue for the GHG calculation as it is just an intermediary data useful to the calculation, please double check /clarify whether this number is also valid for indicator 4, as currently reported in the PIF ? from the GHG perspective, improved practices are not for 560,674 ha ? but perhaps there are other practices at play on the rest of this area that are deemed to benefit biodiversity through a different mechanism.

Secondly, there are also some inconsistencies in the choice of categories of impact and the setting of parameters:

(i)	For forest management, the calculation sheet reports that avoidance of increased degradation will be achieved by monitoring, protection and restoration, leading to less fires and less cultivation, which are identified as the two main drivers of degradation.

a.   However the forest management tab does not show any change in the fire occurrence, so this part of the impact is not calculated.

b.   Further, if land use is expected to be changed from cultivation to forests, it seems that this would logically rather be accounted for as land use change (reforestation/afforestation) for these surfaces, not in the forest degradation tab. In addition to the fact that a population figure was used instead of hectares as noted above, whatever the actual figure is for the targeted landscape, the final surface to be used as input for the forest management tab would therefore logically be lower.

c.   Further, with the use of the tier 2 parameter, concretely what the table shows is a situation where the area identified goes from 40% of biomass lost to 30% of biomass lost without the project vs 20% of biomass lost with the project > which is inconsistent with the description made, which would rather correspond to a scenario without the project that would be worse off than the starting situation, and a situation with the project that would be slightly better.

d.   Finally, in the theory of change and described activities, the monitoring practices proposed are focused on biodiversity and wildlife, which is not necessary equivalent to monitoring in the sense of preventing fires and conversion of cultures.

Please note that given revisions to the TOC for this project any the GHG emission reduction co-benefits will need to be rethought and ExAct calculations reworked.

Agency's Comments
Responses to comments made on 8/5/24

5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?	08/02/2024 a.) i.) clear	
b) Are the project?s indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?	ii.) Noting with thanks the corrected/clarified the inconsistency of area size between EXACT and PIF. Further explanation on the assumptions on reduced tillage for agroforestry and reduced area for land management are noted. On the afforestation aspect the agency responses clarified that the current land use is not agroforestry but burnt/barren.	**Addressed.** The EX-ACT sheet was revised to reflect suggestion (1) of the GEF Secretariat, and the ?Core indicators? table in page 23 of the PIF was amended (Indicator 6 - Greenhouse Gas Emissions Mitigated revised to 6,258,470 metric tons of CO2e). Specific data on fire occurrence should be obtained at PPG stage from national counterpart.
	For land management: given that the percentage of target area is still quite significant (e.g. 25%) and not necessarily conservative or realistic (quoting the agency responses: "a more conservative and realistic approach will be adopted in the project's TOC and corresponding calculations at PPG stage"), please develop more conservative estimates for PIF, e.g. by incorporating the suggestions: (1) keep the area improved through land management close to zero, as the work on restoration and reduction of further conversion should be reflected in the LUC section, or (2) indicate how fire occurrence will be improved. At PIF we expect a more conservative approach to target setting and at PPG update or increase with additional information. Please revise.	
	iii.) Clear.	
	iv.) Noting that Indicator 3.4 for wetland restoration is. Peatlands	

	are likely to feature strongly in these landscapes, thus should be considered and included at CER if area of focus in target landscapes.	
		Noted and will be addressed at PPG stage. The occurrence of peatlands in the targeted landscapes will be further explored at PPG stage, and activities and indicators will be refined accordingly and reported in the final project document.

a.) i.) Please include the PA name(s) and WDPA ID for the PA(s) for indicator 1.

GHG emission reduction calculations (to be produced as co-benefits of BD investments):

ii.) This is a BD focal area funded project with CCM co-benefits. From current understanding of the PIF and of proposed activities, it seems that rather than having a landscape including protected areas going from a medium degradation level to a low degradation level, the proposed activity is rather, on parts of this area, to conduct restoration work (to be calculated in the Land Use Change tab as noted above), on another section, to reduce further conversion (also for the LUC tab), and on the other part of this area, to reduce fire occurrence. Is that the case? IF so, there may need to be a shift in approach in the TOC to achieving BD GEBs. But this also calls into question the selection of the ?Low? degradation level in the scenario with the project in the forest management tab, the more suitable and conservative option would be to adjust the fire occurrence parameter while leaving the degradation level unchanged at medium. Please address or explain.

GHG emission reductions, as co-benefits of BD investments in this project, are calculated based on specific interventions across different landscape sections. Indeed, the project activities include restoration work in certain areas, prevention of further land conversion in others, and reduction of fire occurrence. In addition, the project will also generate alternative income and livelihood opportunities for communities, which is expected to alleviate pressures and degradation (not necessarily conversion as such) on forests in the targeted landscapes. This multi-faceted approach reflects the project's commitment to

biodiversity conservation, while duly considering the expected co-benefits in terms of climate change mitigation within the designated landscapes.

Regarding the classification of degradation levels, it is correct to note that the initial assumption of a shift from a 'medium' to 'low' degradation level might be overly optimistic for certain sections of the project area. Instead, a more conservative and realistic approach will be adopted in the project's TOC and corresponding calculations at PPG stage. The 'medium' degradation level has been maintained in the forest management tab for most of the area targeted (75%) to reflect ongoing risks and challenges more accurately, while also considering that part of the targeted area (25%) would see its status improving. The fire occurrence parameter will be adjusted at PPG stage to better represent the direct impact of the project's fire reduction strategies, without presuming an overall decrease in degradation level across the entire area.

This adjustment ensures that the TOC, degradation classifications, and GHG calculation methodologies are aligned with actual project interventions and expected outcomes, providing a more accurate and conservative estimation of impacts. The guidance on refining these aspects of the project proposal is appreciated and will be followed to revise the approach accordingly to better capture the complexities and specificities of the project's impact on biodiversity and GHG emissions.

iii)   For afforestation, if as described in the calculation sheet the initial land includes areas currently under agroforestry, then the current computation is incomplete as it only refers to annual fallows as initial land-use. Taking this into account, the output would therefore expected to be lower. Please address or explain.

The revised version of the PIF clarifies that land designated for afforestation is currently degraded and either burnt or barren. Accordingly, the Ex-Act appraisal has been updated to reflect that the afforestation activities will take place on annual fallow land with no biomass (tier 2 adjusted).

BACKGROUND on Ex-Act review:

Based on a review of the Ex-Act excel sheet, is our understanding that this project will produce emission reduction co-benefits through three pathways:

(i)   ?forest management? through avoided degradation (monitoring, protection against fire and increased cultivation) and restoration activities

(ii)   ?afforestation/reforestation? on an area initially bare/burnt or used for coffee agriculture, which is proposed to be turned into multi-purpose tree species (from details provided this seems to be a mix of agroforestry (coffee) and non-agricultural forested areas);

(iii)   carbon sequestrating agricultural practices (mainly SLM agroforestry landscapes).

However, there are some inconsistencies in the hectarages used, including:

for forest management, 91,449 ha are used as input data, referring to PIF page 19 as the source of information. However, on this table, 91,449 is not a figure corresponding to hectares of protected areas, but to the population residing in the Petung Kriyono protected area landscape in Central Java. The total areas provided in the PIF are actually 3,839, ha 11,411 ha and 8,010 ha respectively for Ungaran, Muria and Petung Kriyono landscapes in Central Java, and 634,145 ha for Sugihan Simpang Heran landscapes in South Sumatra. How the final surface is identified among these should be clarified (which is surely not 91,449 ha as this seems rather to be a typo from a copy-pasting made on the population instead of area). From percentages provided in the PIF, the protected area in these landscapes corresponds to approximately 68% of 3,839 he and 44% of 11,411 ha, so it would not be expected to be higher than 8000 ha. Please double check whether this number is also valid for indicator 1, as currently reported in the PIF.

For afforestation, 8,512 ha are reported in calculation sheet as input data, referring again to PIF page 19 as the source of information, and again not corresponding to any of the provided hectarage in the table. Please clarify how the final surface is identified among these as the PIF refers back to the exact sheet on this topic. Please double check whether this number is also valid for indicator 3, as currently reported in the PIF.

For **sustainable land management in agroforestry** systems, about 85% of the total surface area is used as input, 560,674 ha. However, in the calculation module, what is computed is that only 336.585 ha will have improved practices through increased C input under reduced tillage, with the rest of the area remaining in its current practice. While this is not an issue for the GHG calculation as it is just an intermediary data useful to the calculation, please double check /clarify whether this number is also valid for indicator 4, as currently reported in the PIF ? from the GHG perspective, improved practices are not for 560,674 ha ? but perhaps there are other practices at play on the rest of this area that are deemed to benefit biodiversity through a different mechanism.

Thank you for bringing this matter to our attention. These figures seem to originate from an outdated version of our Ex-Act appraisal for this project. We apologize as this entails

that there must have been a mistake from our side when submitting the Ex-Act calculations.

We would like to confirm your understanding that the correct figures used for the appraisal are :

For forest management: 88,150 hectares, which accurately represents the area of terrestrial protected areas under improved management (and not 91,449 hectares).

For afforestation: 3,759 hectares, which corresponds to areas designated for afforestation / reforestation of degraded (bare) land targeted for restoration (and not 8,512 hectares).

For sustainable land management in agroforestry systems: Thank you for highlighting the area discrepancy. In our Ex-Act calculations, we indeed reported 560,674 hectares as the total area involved in agroforestry systems. However, for the purposes of calculating GHG emissions reductions, we assumed an adoption rate of 60% for the implementation of reduced tillage practices, which accounts for the 336,585 hectares specifically targeted for these improvements. The remaining area, while not under reduced tillage, still engages in other sustainable practices that contribute to biodiversity conservation and ecosystem health, but these practices are not directly quantified in terms of GHG emissions reduction. This includes activities such as maintaining vegetative cover and integrating biodiversity-friendly crop rotations which are beneficial from a biodiversity perspective but are not captured in the GHG calculation module.

We will ensure all our documents clearly reflect the above numbers to avoid any further confusion. We appreciate your vigilance and are happy to provide any further clarifications needed.

Secondly, there are also some inconsistencies in the choice of categories of impact and the setting of parameters:

(i)   For forest management, the calculation sheet reports that avoidance of increased degradation will be achieved by monitoring, protection and restoration, leading to less fires and less cultivation, which are identified as the two main drivers of degradation.

a.   However the forest management tab does not show any change in the fire occurrence, so this part of the impact is not calculated.

The current calculations in the forest management tab primarily focus on biomass gain, reflecting improvements from 30% forest degradation in the without-project scenario to 20% under the with-project scenario, indicating a 10% gain in biomass. While the specific impact of fire occurrence is not separately calculated in this tab, the comprehensive management activities such as monitoring, protection, and restoration implicitly contribute to reducing fire risks and their impacts. These activities are integral to enhancing overall forest resilience against fires, even though they are not quantified separately in this module to avoid potential double accounting.

b.   Further, if land use is expected to be changed from cultivation to forests, it seems that this would logically rather be accounted for as land use change (reforestation/afforestation) for these surfaces, not in the forest degradation tab. In addition to the fact that a population figure was used instead of hectares as noted above, whatever the actual figure is for the targeted landscape, the final surface to be used as input for the forest management tab would therefore logically be lower.

The feedback on the classification of activities involving the conversion from cultivation to forest as reforestation rather than forest management is well noted. In our project, such activities are indeed intended as reforestation or afforestation, which involves changing land use from non-forest to forest. This is a crucial aspect of our project's strategy to increase forest cover and enhance carbon sequestration, which directly contributes to our climate change mitigation goals.

The previous mention of 'forest management' in the context of these activities was an oversight. We have since revised the Ex-Act calculations to correctly categorize these areas under afforestation/reforestation, not under forest degradation. This adjustment will ensure that the project's impacts on land use change are accurately captured and reported.

Thank you for your observations. To clarify, the figures used in the Ex-Act calculations specifically refer to land area, not population numbers. The reference to 3,759 hectares for afforestation accurately corresponds to the land area designated for this purpose, as detailed in the table of core indicators on page 31 of the revised PIF. This ensures that all land use changes are correctly categorized and align with our project's strategic goals of reforestation and afforestation, without any discrepancies between the reported figures and the project activities.

c.   Further, with the use of the tier 2 parameter, concretely what the table shows is a situation where the area identified goes from 40% of biomass lost to 30% of biomass lost without the project vs 20% of biomass lost with the project > which is inconsistent with the description made, which would rather correspond to a scenario without the project that

would be worse off than the starting situation, and a situation with the project that would be slightly better.

In addressing the feedback regarding the forest management module, it is important to clarify the assumptions made about biomass loss in different scenarios. The figures provided indeed represent the percentage of biomass loss over time under different management scenarios. The baseline ('without the project') scenario initially assumes a 30% biomass loss, which reflects ongoing degradation levels without intervention.

Under the 'with project' (WP) scenario, the assumption adjusts to a 20% biomass loss, reflecting the anticipated improvement due to the project's intervention. This represents a net 10% gain in biomass compared to the baseline scenario, thus illustrating an improvement in forest condition due to active management and conservation efforts.

This explanation corresponds to the project?s strategy of enhancing forest resilience by reducing the rate of degradation and facilitating regeneration, thereby improving the overall biomass stock.

d.   Finally, in the theory of change and described activities, the monitoring practices proposed are focused on biodiversity and wildlife, which is not necessary equivalent to monitoring in the sense of preventing fires and conversion of cultures.

Please note that given revisions to the TOC for this project any the GHG emission reduction co-benefits will need to be rethought and ExAct calculations reworked.

Thank you for your comments and thorough look at the initial Ex-Act calculations. We take note of the above comments, and we understand the concerns raised.

We have addressed these issues to the extent possible at this stage and will undertake a more detailed and precise assessment of the climate change mitigation co-benefits of the project at PPG stage.

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments NA

Agency's Comments
5.6 RISKs

a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

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

Secretariat's Comments
03/29/2024

Yes

Agency's Comments
5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Comments
HF 08/05/24

Yes. Cleared.

03/29/2024

Will review these elements once TOC is revised.

Agency's Comments
6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments
HF 08/05/24

Cleared.

03/29/2024

i.) Based on the "programming of funds" and core indicator targets, this project is a BD focal area project. As such please describe how this project design and results are well aligned with the entry points of the GEF-8 biodiversity strategy, specifically. The project investment could have CCM and LD co-benefits, and those should be identified and explained as such.

ii.) The project indicates BD-1 entry point in the GEF financing table. However, the mentioned project activities appear to encompass BD-1, BD-2 (ABS is indicated but not very elaborated; it also indicates the project is supporting Nagoya Protocol implementation in Indonesia, see other comment below), and BD-3 (component 4 focuses on sustainable finance thus alignment with BD3 should be described). The project also indicates climate change mitigation not only as co-benefits but also as a part of project objective (??while also mitigating climate change and enhancing local livelihoods?) which is not indicated given the programming of funds (100% BD). Please reconcile in the alignment section.

iii.) Currently there are no proposed project activities or outcomes that are aligned with the Nagoya Protocol entry point and the mention of the NP seems like an add-on which doesn't fit well with the project approach. Either redesign as a well-integrated and integral part of the design and explain the alignment well, otherwise we recommend removing this element entirely from the PIF.

iv.) The outcomes sought and described in the ?project description? aren?t well aligned with the GEF-8 BD strategy (?*Through these measures, the project seeks to improve ecosystem services, fortify resilience against climate change, and support adaptive livelihoods*.?). As a BD focal area project, the project should be designed to (seek to) achieve BD benefits for globally significant biodiversity, these other benefits (e.g. ecosystem services, resilience and livelihoods) could be potential positive externalities of project activities and investments. Please revise.

Agency's Comments

i.) Based on the "programming of funds" and core indicator targets, this project is a BD focal area project. As such please describe how this project design and results are well aligned with the entry points of the GEF-8 biodiversity strategy, specifically. The project investment could have CCM and LD co-benefits, and those should be identified and explained as such.	The project is primarily aligned with the GEF-8 BD focal area, targeting globally significant biodiversity conservation. Specifically, it addresses the BD-1 entry point by aiming to improve the management of landscapes outside PAs to conserve biodiversity. While the project indeed has climate change mitigation (CCM) and land degradation (LD) co-benefits, these are secondary and supportive to the core biodiversity conservation objectives. For instance, restoration activities not only improve habitat connectivity but also sequester carbon and prevent soil erosion, contributing to CCM and LD goals respectively. These co-benefits are explicitly acknowledged to ensure that the project?s multidimensional impacts are fully recognized and leveraged.	

ii.) The project indicates BD-1 entry point in the GEF financing table. However, the mentioned project activities appear to encompass BD-1, BD-2 (ABS is indicated but not very elaborated; it also indicates the project is supporting Nagoya Protocol implementation in Indonesia, see other comment below), and BD-3 (component 4 focuses on sustainable finance thus alignment with BD3 should be described). The project also indicates climate change mitigation not only as co-benefits but also as a part of project objective (??while also mitigating climate change and enhancing local livelihoods?) which is not indicated given the programming of funds (100% BD). Please reconcile in the alignment section.	The GEF financing table was revised to reflect the project alignment with BD-1 and BD-3 predominantly. The project aligns with BD-1 as it aims at enhancing the management of landscapes outside PAs (especially through Components 1 and 2). The project also aligns with BD-3 by promoting sustainable finance mechanisms essential for long-term biodiversity conservation (through Components 3 and 4). These aspects will be more elaborately described to ensure complete alignment with the GEF-8 BD strategy. As advised, the alignment section was revised to highlight the co-benefits with regards to the Climate Change and Land Degradation entry points.	Alignment section and GEF financing table revised as advised.
iii.) Currently there are no proposed project activities or outcomes that are aligned with the Nagoya Protocol entry point and the mention of the NP seems like an add-on which doesn't fit well with the project approach. Either redesign as a well-integrated and integral part of the design and explain the alignment well, otherwise we recommend removing this element entirely from the PIF.	Reference to the Nagoya Protocol removed as advised.	Reference to the Nagoya Protocol removed as advised.

iv.) The outcomes sought and described in the ?project description? aren?t well aligned with the GEF-8 BD strategy (?*Through these measures, the project seeks to improve ecosystem services, fortify resilience against climate change, and support adaptive livelihoods*.?). As a BD focal area project, the project should be designed to (seek to) achieve BD benefits for globally significant biodiversity, these other benefits (e.g. ecosystem services, resilience and livelihoods) could be potential positive externalities of project activities and investments. Please revise.	The project description was revised to emphasize that the primary aim is the conservation of globally significant biodiversity. While ecosystem services, resilience against climate change, and support for adaptive livelihoods are indeed expected to be positive externalities, the core project objectives and outcomes will be explicitly re-focused on biodiversity benefits. This revision clarifies that these co-benefits support, but do not replace, the project's primary biodiversity conservation goals.	

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments
HF 08/05/24

Cleared.

03/29/2024

Please further develop once TOC and alignment with GEF-8 strategy is revised.

Agency's Comments

Please further develop once TOC and alignment with GEF-8 strategy is revised.	The PIF was revised to ensure comprehensive alignment with the GEF-8 strategy, and its ToC was updated to clearly reflect this alignment. Furthermore, the project is coherently integrated with Indonesia's national and regional conservation priorities, policies, and plans, as well as with commitments under relevant MEAs. Below are the detailed alignments with national and regional priorities: •**Indonesia National Long-term Development Plan 2025-2045 (RPJPN 2025-2045)**: The project supports the ecological resilience that is acknowledged in the current RPJPN 2025-2045 draft •**Indonesia's National Biodiversity Strategy and Action Plan (NBSAP) under development**: The project supports Indonesia?s NBSAP goals by enhancing biodiversity conservation outside PAs, improving management practices, and involving local communities in conservation efforts. •**Forestry and Other Land Use (FOLU) Net Sink 2030 Plan**: Aligns with Indonesia?s FOLU objectives to achieve a	

	net sink in forest and peatland areas by 2030 through sustainable management and restoration activities. **•Indonesia?s National Action Plan for Sustainable Palm Oil (2020-2045)**: The project contributes to sustainable land management practices that are critical for reducing the environmental impacts of palm oil production. Below are the detailed alignments with MEAs: **•Convention on Biological Diversity (CBD)**: Supports the implementation of the CBD through activities that align with the Aichi Biodiversity Targets and the newly adopted targets under the Kunming-Montreal Global Biodiversity Framework. **•United Nations Framework Convention on Climate Change (UNFCCC)**: Contributes to Indonesia?s Nationally Determined Contributions (NDCs) by implementing land use practices that enhance carbon sequestration and reduce greenhouse gas emissions.	

	•**United Nations Convention to Combat Desertification (UNCCD)**: Supports efforts to combat land degradation and promote sustainable land management, directly contributing to achieving Land Degradation Neutrality (LDN). Regarding relevance to regional conservation efforts, the project aligns with the ASEAN Centre for Biodiversity?s goals by promoting cross-border cooperation in biodiversity conservation and sustainable use of natural resources. The project also enhances collaboration with regional initiatives such as the Heart of Borneo, focusing on transboundary biodiversity conservation efforts. Integration with sectoral plans involves aligning the project's activities with key sectors such as agriculture, forestry, and tourism to promote sustainable practices and support Indonesia's policy objectives in these areas. •**Agriculture**: Integrates sustainable agricultural practices that reduce biodiversity loss, supporting Indonesia?s agricultural policy towards environmentally sustainable agriculture.	

	•**Forestry**: Aligns with sustainable forestry management regulations, enhancing biodiversity conservation within forest landscapes. •**Tourism**: Supports the development of eco-tourism as a sustainable alternative that promotes conservation while benefiting local communities economically. By ensuring that the project's ToC and activities are fully integrated with these national, regional, and sectoral priorities, the project not only adheres to Indonesia's policy framework but also contributes effectively to broader global environmental goals.	

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments
HF 08/05/24

Cleared.

03/29/2024

i.) The PIF identifies the targets but does not explain how/what it will contribute to the targets. Please explain.

ii.) Please see and address CBD Secretariat comment on KMGBF
alignment/contributions.

Agency's Comments

i.) The PIF identifies the targets but does not explain how/what it will contribute to the targets. Please explain.	The PIF mentions the relevant KMGBF targets; however, a more detailed explanation is provided here to clearly illustrate how the project activities contribute to each identified target: Target 1 (Land and forest conservation): The project will implement landscape-level conservation and sustainable management practices in high biodiversity areas outside PAs, contributing to the global goal of conserving ecosystems that provide critical habitat for biodiversity. Target 2 (Species conservation): Through habitat restoration and connectivity enhancements, the project directly contributes to the recovery of populations of endangered and threatened species by improving their habitats and reducing threats from human activities. Target 3 (PAs and OECMs): The project supports the designation and effective management of OECMs and strengthens the management of existing PAs by integrating them into wider land use planning and governance frameworks. Target 9 (Sustainable agriculture): Promotes sustainable agricultural practices that reduce impacts on biodiversity, enhancing ecosystem services and maintaining ecological integrity in agricultural landscapes	

	adjacent to critical biodiversity areas. Target 13 (Genetic diversity): Activities include supporting the implementation of access and benefit-sharing (ABS) mechanisms under the Nagoya Protocol, thereby contributing to the conservation of genetic resources and traditional knowledge. Target 19 (Financial resources for biodiversity): Develops innovative financing mechanisms, such as Payment for Ecosystem Services (PES) and biodiversity offsets, to mobilize additional resources for biodiversity conservation and sustainable use.	

| ii.) Please see and address CBD Secretariat comment on KMGBF alignment/contributions. | The PIF was enhanced to explicitly link activities to KMGBF targets. Specific indicators were defined for each target to effectively track and measure the project's impact on global biodiversity goals. This ensures that each project component not only aligns with KMGBF targets but is also impactful and measurable, thereby fulfilling international commitments to biodiversity conservation.

In response to the CBD Secretariat's comment, further details were added to the PIF to ensure that the connection between the project's actions and the KMGBF targets is explicit and measurable. This includes defining specific indicators for each target to track progress and outcomes directly related to the KMGBF objectives. Additionally, project activities were mapped against the KMGBF targets to ensure that each activity contributes effectively to the international biodiversity agenda.

The project's design incorporates rigorous monitoring and evaluation frameworks to assess the effectiveness of these contributions towards achieving the KMGBF targets, ensuring that activities are not only aligned with these global objectives but are also impactful and measurable. | Detailed linkage of project activities to KMGBF targets was strengthened in the revised PIF. The project establishes clear indicators and mechanisms for tracking contributions towards these targets, ensuring measurable impacts and alignment with global biodiversity conservation objectives |

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments

03/29/2024

Yes.

Agency's Comments

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments

03/29/2024

Yes

Agency's Comments

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat's Comments

03/29/2024

Yes

Agency's Comments

Focal Area allocation?

Secretariat's Comments

03/29/2024

Yes

Agency's Comments
LDCF under the principle of equitable access?

Secretariat's CommentsNA

Agency's Comments
SCCF A (SIDS)?

Secretariat's CommentsNA

Agency's Comments
SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's CommentsNA

Agency's Comments
Focal Area Set Aside?

Secretariat's CommentsNA

Agency's Comments
8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments
03/29/2024

Yes

Agency's Comments

8.3 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?

Secretariat's Comments

Sept 10, 2024

Cleared

08/05/2024

Given the further developed TOC, components and outcomes of this project, significant focus on the private sector, and considerable parallel investments, we would hope for more than in-kind co-financing. This should be further explored during PPG.

03/29/2024

Yes

Agency's Comments

8.3 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?	08/05/2024 Given the further developed TOC, components and outcomes of this project, significant focus on the private sector, and considerable parallel investments, we would hope for more than in-kind co-financing. This should be further explored during PPG.	**Noted and will be addressed at PPG stage.** As mentioned above with regards to PS co-financing, it is understood that PS should directly invest into activities and infrastructures related to this project. The PPG team will engage further with PS at PPG stage with a view to secure PS co-financing of related investments.

Annex B: Endorsements

8.4 Has the project been endorsed by the country?s(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments

03/29/2024

Yes

Agency's Comments

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Comments
03/29/2024

Yes

Agency's Comments

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Comments
03/29/2024

Yes

Agency's Comments
8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's CommentsNA

Agency's Comments
Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project?s intended location?

Secretariat's Comments
HF 08/05/24

Cleared.

03/29/2024

Geolocation provided but maps are missing. Please include maps of project sites.

Agency's Comments

Secretariat's Comments		
03/29/2024		
Geolocation provided but maps are missing. Please include maps of project sites.		Maps of project sites were included.

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments
HF Sept 10, 2024

Cleared.

HF 08/05/24

1.) Cleared.

2.) Please include review of the reformulated project plans regarding HWC and private sector engagement. Of particular concern are the potential unintended impacts of HWC measures and how to mitigate those by either taking alternative approaches or mitigation measures.

03/29/2024

1. Environmental and Social Safeguards: We note the attached the Project Risk Certification and overall ESS risk of the program is classified as moderate. However, the Project Risk Certification does not recognize important social risks related to Community-based development activities such as ecotourism and natural resource value addition, which may negatively affect species and habitats if poorly executed, which is mentioned in the environmental and social risks in the Key risks in the Portal. Please revise the Project Risk Certification aligning with the environmental and social risks of the projects including risks of economic displacement and impacts on Indigenous Peoples based on the revise project plans suggested by the program manager.

Agency's Comments

| 8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal? | 08/05/2024

1.) Cleared.

2.) Please include review of the reformulated project plans regarding HWC and private sector engagement. Of particular concern are the potential unintended impacts of HWC measures and how to mitigate those by either taking alternative approaches or mitigation measures. | **Noted and will be addressed at PPG stage.** As mentioned above with regards to HWC mitigation measures, the ESS form will be revised at PPG stage to comprehensively screen risks and their anticipated environmental and social impacts, based on a detailed list of activities. |

Response to previous comments

1. Environmental and Social Safeguards: We note the attached the Project Risk Certification and overall ESS risk of the program is classified as moderate. However, the Project Risk Certification does not recognize important social risks related to Community-based development activities such as ecotourism and natural resource value addition, which may negatively affect species and habitats if poorly executed, which is mentioned in the environmental and social risks in the Key risks in the Portal. Please revise the Project Risk Certification aligning with the environmental and social risks of the projects including risks of economic displacement and impacts on Indigenous Peoples based on the revise project plans suggested by the program manager.

The observation concerning the omission of significant social risks in the Project Risk Certification, particularly those related to community-based development activities such as ecotourism and natural resource value addition, was noted. It is recognized that if these activities are not properly managed, they have the potential to negatively impact local species and habitats.

In response, the Project Risk Certification has been revised to thoroughly reflect these risks, along with additional considerations for economic displacement and impacts on Indigenous Peoples and Local Communities (IPLCs). These revisions ensure that the certification is fully aligned with the environmental and social risks outlined in the Key Risks section of the Portal.

The project plans will incorporate detailed risk management strategies to mitigate potential adverse effects from community-driven development activities. Measures will include comprehensive stakeholder engagement, particularly with IPLCs, to ensure their perspectives and knowledge are integrated into project activities. Further, robust monitoring and adaptive management processes will be established to promptly address any emerging challenges related to these activities.

By updating the Project Risk Certification and refining project plans as suggested, the program will enhance its approach to managing potential risks, ensuring that both biodiversity conservation goals and community well-being are supported effectively.

Project Risk Certification revised as advised.

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments
03/29/2024

Yes

Agency's Comments

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments
03/29/2024

Yes

Agency's Comments

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) 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 to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's CommentsNA

Agency's Comments

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments
HF Sept 10, 2024

Yes, PM cleared for work program inclusion.

08/05/2024:

Not yet. Please respond to remaining comments and make revisions to project documentation. Please identify specifically what and where changes were made in the review sheet, but in an attempt to make this the final revision, please remove all highlights from the text for consideration for the December 2024 work program.

03/29/2024

No, not yet. Please address comments/questions in review sheet, revise PIF and supporting documents (highlighting and noting changes in review sheet) and resubmit.

Agency's Comments

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?	08/05/2024 Not yet. Please respond to remaining comments and make revisions to project documentation. Please identify specifically what and where changes were made in the review sheet, but in an attempt to make this the final revision, please remove all highlights from the text for consideration for the December 2024 work program.	**Addressed**. PIF modified as per comments above, without highlights in the text.

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

1.) Noting that Indicator 3.4 for wetland restoration is. Peatlands are likely to feature strongly in these landscapes, thus should be considered and included at CER if area of focus in target landscapes.

2.) In order to achieve Component 2 outcomes and true integrated landscape management and planning, and overcome the barriers listed in the PIF, cross-jurisdictional (vertically/horizontally) and cross-ministry (e.g. outside of environment/NRM) work and cooperation will be required, specifically with ministries, law makers and government decision makers across sectors. There are many, many examples of ODA investments in this exact approach over the last two decades. New investment, including this project, should understand, learn from and build on this history and body of knowledge and learning (across all components and included in cooperation section). Please further develop this during PPG and include at CER.

3.) A refined and robust GHG estimate will be expected at CEO ER stage and FAO may wish to consider reviewing its quality assurance practice at PIF stage to be inline with carbon accounting best practice and GEF guidelines.

For forest management, currently the estimated impact is zero for this category. Currently the tab shows two lines, one where reduced levels of degradation as a result of this project are introduced as input, but no hectarage are given (line 13 of the ExAct sheet ? where in addition the use of tier 2 comprises mistakes and inconsistencies with the description provided in the calculation tab that are still not addressed) and one where the hectarage are given(line 14), but the degradation levels and fire management remain the same. In both cases this amounts to the same as not reporting any information on that category. Given this, the Agency should consider requesting a second internal opinion on their ExAct sheet starting at PIF stage for quality assurance (bearing in mind that in this case the issue is not

a matter of missing data to be collected at PPG stage but appropriate use of FAO?s ExAct tool).

For sustainable land management, there is still no evidence to support why such a large hectarage is used ? this is more important as the largest GHG effect comes from this category at this point. As noted in our previous reactions, per explanation provided in the theory of change section, it seems that a share of this impact is rather expected in the land use change section ? and the types of improved practices mentioned (water management, pest management) do not give information as to whether this is expected to lead to higher carbon inputs ? it corresponds rather to pollution and adaptation focused measures, not expected to have such a high carbon impact. At PIF stage and in the absence of more data, a more conservative approach should be used, and then at CEO ER stage with more data available if the amount is higher, then it can be reflected.

-

4.) Given the further developed TOC, components and outcomes of this project, significant focus on the private sector, and considerable parallel investments, we would hope for more than in-kind co-financing. This should be further explored during PPG.

5.) Potential collaborations with platforms, private sector and region to consider during PPG:

Platforms and companies that could be included and are not mentioned include IDH, Musim Mas (with whom GEF has worked in GEF-6) and the Indonesian Business Council for Sustainable Development and other the platforms for sustainable commodities are powerful platform for collaboration, including sourcing/demand companies and should be considered.

Further the fire free village program (referenced in the GEF-8 Critical Forest Biomes IP), have shown have potential positive synergies and could be considered for collaboration. https://www.firefreealliance.org/case-study/

Further develop links and outreach to GEF-7 FOLUR IP in Indonesia and GEF-8 CFB IP in the region-good synergy with Indonesia even if Indonesia doesn't have a national child project. IUCN is lead Agency for regional coordination.

Could explore linkages through component 4 on finance could link to GEF investments already in blended finance, or some of the new initiatives for production/protection like the Rimba Collective and Lestari Capital.

Many of the companies have similar activities across other countries in the region, including on Borneo where collaboration with Malaysia could be developed, or with PNG and west Papua. Enhanced regional collaboration through the companies? activities could be explored.

The inclusion of tech/digital/innovation for in capacity development could be explored to deploy use of relevant and available technologies to further impacts.

Agency's Comments

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval	1.) Noting that Indicator 3.4 for wetland restoration is. Peatlands are likely to feature strongly in these landscapes, thus should be considered and included at CER if area of focus in target landscapes.	**1), 2) and 3) discussed above and will be addressed at PPG stage.** **4) noted and will be addressed at PPG stage.** A note on the potential collaborations was included in section ?A. Project Rationale? in page 11, where pre-existing projects and potential synergies are described, in the generic description of Component 3 in page 17, and in the description of the output related to multi-stakeholder engagement under Component 5 in page 19. Specific references to Rimba Collective was included under the description of activity 4.1.2 in page 18 and to blended finance instrument in the description of activity 4.1.3 in page 18. Musim Mas is mentioned along with other private sector entities in the description of Component 3 in page 17. The opportunity of using adapted digital tools for capacity development was mentioned in the description of Component 5 in page 19.
	2.) In order to achieve Component 2 outcomes and true integrated landscape management and planning, and overcome the barriers listed in the PIF, cross-jurisdictional (vertically/horizontally) and cross-ministry (e.g. outside of environment/NRM) work and cooperation will be required, specifically with ministries, law makers and government decision makers across sectors. There are many, many examples of ODA investments in this exact approach over the last two decades. New investment, including this project, should understand, learn from and build on this history and body of knowledge and learning (across all components and included in cooperation section). Please further develop this during PPG and include at CER.	
	3.) Given the further developed TOC, components and outcomes of this project, significant focus on the private sector, and considerable parallel investments, we would hope for more than in-kind co-financing. This should be further explored during PPG.	
	4.) Potential collaborations with platforms, private sector and region to consider during PPG: Platforms and companies that could be included and are not mentioned include IDH, Musim Mas (with whom GEF has worked in GEF-6) and the Indonesian Business Council for Sustainable Development and other the platforms for sustainable commodities are powerful platform for collaboration, including sourcing/demand companies and should be considered.	

	Further the fire free village program (referenced in the GEF-8 Critical Forest Biomes IP), have shown have potential positive synergies and could be considered for collaboration. https://www.firefreealliance.org/case-study/	
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	Could explore linkages through component 4 on finance could link to GEF investments already in blended finance, or some of the new initiatives for production/protection like the Rimba Collective and Lestari Capital.	
	Many of the companies have similar activities across other countries in the region, including on Borneo where collaboration with Malaysia could be developed, or with PNG and west Papua. Enhanced regional collaboration through the companies? activities could be explored.	
	The inclusion of tech/digital/innovation for in capacity development could be explored to deploy use of relevant and available technologies to further impacts.	

Review Dates

	PIF Review	Agency Response
First Review	3/29/2024	
Additional Review (as necessary)	8/5/2024	

	PIF Review	Agency Response
Additional Review (as necessary)	9/10/2024	
Additional Review (as necessary)		
Additional Review (as necessary)		