



PROJECT IDENTIFICATION FORM (PIF)¹

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Transforming effectiveness of biodiversity conservation in priority Sumatran landscapes		
Country(ies):	Indonesia	GEF Project ID: ²	4892
GEF Agency(ies):	WB(select)(select)	GEF Agency Project ID:	
Other Executing Partner(s):	Department for Forest Protection and Nature Conservation (PHKA), Sumatran Tiger Conservation Forum (known as HarimauKita), Wildlife Conservation Society (WCS), Fauna & Flora International (FFI) and Zoological Society of London (ZSL)	Submission Date:	2012-03-19
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	60
Name of parent program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/>	N/A	Agency Fee (\$):	900,000

A. FOCAL AREA STRATEGY FRAMEWORK³:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) (\$)	Indicative Cofinancing (\$)
(select)BD-1	1.1: Improved management effectiveness of existing and new protected areas. 1.2: Increased revenue for protected areas to meet total expenditures required for management.	1. Existing or New protected areas (5) and coverage (5.63m hectares) of unprotected ecosystems. 2. Existing or New protected areas (5) and coverage (5.63m hectares) of the 5 main sub-populations of the Critically Endangered Sumatran tiger and wider biodiversity. 3. Sustainable financing plans (5).	5,000,000	31,162,831
(select)BD-2	2.1: Increase in sustainably	1. Policies and regulatory	3,567,100	20,518,805

¹ It is very important to consult the PIF preparation guidelines when completing this template.

²Project ID number will be assigned by GEFSEC.

³Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.

	<p>managed landscapes and seascapes that integrate biodiversity conservation.</p> <p>2.2: Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks</p>	<p>frameworks (5) for production sectors.</p> <p>2. National and sub-national land-use plans (4) that incorporate biodiversity and ecosystem services valuation.</p> <p>3. Certified production landscapes and seascapes (200,0000 hectares).</p>		
(select)(select)				
(select)(select)				
(select)(select)				
(select)(select)				
(select)(select)				
(select)(select)				
(select)(select)				
(select)(select)	Others			
Project management cost ⁴			432,900	1,000,000
Total project costs			9,000,000	52,681,636

⁴GEF will finance management cost that is solely linked to GEF financing of the project.

B. PROJECT FRAMEWORK

Project Objective: To enhance biodiversity conservation in priority landscapes in Sumatra through adoption of best management practices in protected areas and adjacent production landscapes, using tiger recovery as a key indicator of success.

Project Component	Grant Type (TA/IN V)	Expected Outcomes	Expected Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) (\$)	Indicative Cofinancing (\$)
1. Increasing effectiveness of key protected area management institutions.	TA	1.1.Improved management effectiveness of 5 priority protected areas through ongoing implementation of best practice adaptive management plans.	1.1. Management capacity needs identified through baseline METT assessment and addressed in focal areas through training, support and the adoption of enhanced management plans. 1.2. Strengthened and effective government law enforcement in focal areas through the implementation of tools such as SMART-based patrolling to reduce illegal logging and other illicit activity. 1.3. Management effectiveness change annually tracked through training results and METT assessments.	4,842,100	26,585,585
2. Developing inter-sectoral governance systems in priority landscapes.	TA	2.1. Increased coordination between key stakeholders operating in priority areas, resulting in an integrated, more cost-effective approach to biodiversity conservation. 2.2. Viability and	2.1. Landscape-level agreements developed between relevant wildlife agencies (PA authorities, BKSDA, local government and Police). 2.2. Thematic projects piloted: - 'Smart Green Infrastructure'	3,000,000	18,271,467

		<p>replicability of innovative forest and biodiversity management interventions demonstrated through pilots in selected landscapes.</p> <p>2.3. Key threats to biodiversity loss mitigated in target landscapes resulting in increase in Sumatran tigers, as an indicator species, to >85%/landscape and elimination of tiger poaching and deforestation reduced to <1%/yr in core areas.</p>	<p>guidelines applied to roads.</p> <ul style="list-style-type: none"> - Community Carbon Pool/Village Forest (Hutan Desa) scheme; Ulu Masen and Berbak REDD+ pilot projects completed -Village forest restoration. - Priority wildlife habitat conserved in production area - Problem wildlife management addressed. - Logging concession/spatial planning evaluation with local govt. <p>2.3. Management decision-making informed through wildlife, forest and threat monitoring using a standardised scientific survey protocol.</p>		
3. Sustainable financing for biodiversity management in priority landscapes.	TA	<p>3.1. New sustainable financing mechanisms to meet long-term management expenditure needs for protected areas developed in priority landscapes with the potential to replicate successful models elsewhere in Sumatra and Indonesia.</p> <p>3.2. Public-private partnerships piloted in high</p>	<p>3.1. Resource-based analysis conducted and a range of options for long-term financing designed and tested for 5 protected areas.</p> <p>3.2. Sustainable financing plans produced for production areas through business and biodiversity mechanisms (REDD+, private sector endowment and corporate social responsibility schemes and biodiversity</p>	725,000	6,824,584

		biodiversity sites adjacent to protected areas to support biodiversity-friendly land use within priority landscapes.	offsetting). 3.3 Institutional frameworks at a provincial and national level adopted to support of sustainable financing scheme implementation.		
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
Project management Cost ⁵				432,900	1,000,000
Total project costs				9,000,000	52,681,636

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing for baseline project	Name of Cofinancier	Type of Cofinancing	Amount (\$)
National Government	Ministry of Forestry-PHKA	In-kind	45,531,636
CSO	WCS	In-kind	2,000,000
CSO	FFI	In-kind	3,100,000
CSO	ZSL	In-kind	1,400,000
CSO	HarimauKita	In-kind	150,000
GEF Agency	World Bank	Grant	500,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			52,681,636

⁵Same as footnote #3.

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b)²	Total c=a+b
WB	GEF TF	Biodiversity	Indonesia	9,000,000	900,000	9,900,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				9,000,000	900,000	9,900,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

² Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 THE GEF FOCAL AREA STRATEGIES:

Five of the outcomes and the corresponding outputs of the project directly correspond to the priority outcomes and outputs targeted by the GEF for its first and second objectives in the Biodiversity Results Framework (BD-1 – Improving sustainability of protected areas and BD-2 – Mainstreaming biodiversity into production landscapes). The sixth outcome focuses on identifying sustainable financing plans for biodiversity outside protected areas is an extension that directly supports and builds upon BD-2.

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES:

Not applicable

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPs, NPFE, ETC.:

The proposed project is fully consistent with the Government of Indonesia's policy on wildlife, forest and environmental protection. More specifically, the project supports,

- Commitments under the UN Convention on Biological Diversity (enacted through Law 5/1999), as expanded in the Indonesian Biodiversity Strategy and Action Plan (IBSAP) 2003-2020 (BAPPENAS 2003).
- Commitments under the Convention for the Protection of the World's Cultural and Natural Heritage (enacted through Presidential Decision 26/1989), in particular the Action Plan for protection of the Tropical Rainforest Heritage of Sumatra Natural World Heritage Site;
- Objectives and activities under the National Strategy and Action Plan for Sumatran Tiger, Rhino, Orangutan and Asian Elephant (Ministry of Forestry: P42/Menhut-II/2007, P44/Menhut-II/2007, P43/Menhut-II/2007, P53/Menhut-II/2007) and human-wildlife conflict (P48/Menhut-II/2008).
- Indonesian commitments under the Convention on International Trade in Endangered Species (CITES; enacted through Presidential Decision 43/1978).
- Spatial planning commitments in Sumatra (enacted through Presidential Decision 13/2012).
- Indonesian commitments under UNFCCC (enacted through Law 6/1994).

The project also specifically supports the National Tiger Recovery Program (NTRP) for Indonesia, part of the Global Tiger Recovery Program for which the GEF has a stated financial supporting role. The Indonesian NTRP was in turn informed by the Indonesian Sumatran Tiger Action Plan, both of which were developed by the Indonesian government and *HarimauKita* which represents all agencies working on tiger conservation in Indonesia. This project contributes directly to the three priority actions listed in the Indonesian NTRP:

- Replicate specialized law enforcement and conflict mitigation units to protect tiger and prey.
- Create a Sumatra-wide adaptive management system with robust monitoring.
- Create a legal basis to protect tigers outside protected areas.

B. PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

Economic context

Following the Asian financial crisis of 1997 and the replacement of the Suharto regime with a democratically elected government, Indonesia has been on a path of rapid change and reform. With annual economic growth figures of around 6.5%, and a rise in gross national income per capita from \$2,200 per person in the year 2000 to \$3,720 in 2009, Indonesia is now commonly acknowledged as

one of the key members of a second generation of developing countries following closely in the wake of the BRICs and has now graduated from the International Development Association. However, despite the macroeconomic successes, Indonesia is also facing an array of challenges. Approximately 32 million, or 13% of the total population of 234 million, still live below the poverty line of \$22/month and approximately 50% of households live at or around the same level. Indonesia also faces continued issues with sanitation and infant and maternal mortality levels which mean it is unlikely to reach several of its Millennium Development Goals.

Indonesian biodiversity

Against this development backdrop, Indonesia is also one of the most biodiversity rich countries in the world, classed by Conservation International as one of the world's seventeen 'megadiversity' countries and incorporating two of the world's thirty four global biodiversity hotspots. Indonesia is rated as having 7.5% of the Global Benefits Index for Biodiversity. On land, most of this diversity resides in Indonesia's tropical forests which cover nearly 50% of the country and are the third largest in the world. These forests are not only essential to support Indonesia's rich biodiversity but also deliver other ecosystem services that stem from these species, such as playing a direct role in the livelihoods of Indonesia's predominantly rural population, as a significant revenue stream for government, accounting for \$380 million in 2009. Beyond that, Indonesia's forests serve as a huge carbon sink, which if burned or otherwise degraded, become a tremendous source of CO₂ emissions. For example, the Indonesian Ministry of Forestry estimates that Sumatra's total annual CO₂ emissions from loss of natural forest and peat decomposition and burning are on average 1.2 gigatons per year.

Biodiversity management in Indonesia

In theory, Indonesia has a strong policy framework for managing, conserving and protecting its biodiversity and forest resources. The government is a signatory to the CBD, CITES, the Convention Concerning the Protection of World Cultural and National Heritage and the Ramsar Convention. Regional commitments have also been made, with Sumatra's 10 provincial governors signing a joint declaration with the Ministry of Forestry at the 2008 IUCN World Conservation Congress to restore critical ecosystems and protect areas of high conservation value. Commitments have also been made for individual species, such as the signing of the St. Petersburg Declaration on tigers and participation in the Global Tiger Recovery Programme. To achieve these commitments, nearly 20% of Indonesian territory is under some form of protection, with 12% covered by core protected area zones, with both values substantially higher than global averages. All forest is state-owned, but categorized by national and regional planning agencies and managed by a diverse group of actors. Two main categories of forest exist.

- i) Conservation forests are those set aside for specific conservation purposes and are categorized according to function. National Parks are managed by dedicated National Park authorities. Other conservation areas are managed by regional offices for Conservation of Natural Resources (BKSDA) as part of a wider remit. Both report to the PHKA within the Ministry of Forestry in Jakarta. Other categories of conservation forest are managed by Provincial government forestry departments, or by District government forestry departments.
- ii) Production forests are used to generate revenue. Production forest concessions are allocated by regional government, in coordination with national government, and are managed by commercial or state owned companies holding the concession license subject to regular management plan approvals by government. However, there is little monitoring of environmental performance by concessionaires or accountability by government agencies that oversee these concessions for execution of management plans. A more transparent system of monitoring and reporting is required.

Biodiversity and other natural resources are managed by the National Parks, by locally based offices for natural resource conservation which answer to PHKA and, in certain areas, conservation non-governmental organizations also play a key role. Furthermore, and of additional importance are other government departments, from the Police to the Department of Public Works, which all have an influence on the successful conservation and management of biodiversity in the landscape. Currently there is insufficient institutional capacity at the protected area level that, in turn, lessens management effectiveness. However, at the same time, systems to routinely monitor and assess the performance of staff and of

protected areas are lacking. There is therefore no reliable way of knowing whether Indonesia is meeting its biodiversity conservation targets, or not.

However, despite having a strong policy framework, in practice Indonesia's forests and biodiversity are facing a crisis. Over the past fifty years, 40% of Indonesia's forests have been cleared. Clearance rates have accelerated over time and between 2000 and 2005 the FAO calculated Indonesia lost nearly 2 million hectares a year – a total equivalent to an area the size of Portugal or Maine. It is also estimated that 50% of the remaining forests – now totaling less than 100 million ha – are fragmented or degraded by human activities. The exploitation of the forests has led to severe biodiversity declines with nearly 12% of Indonesia's 1000 bird species and 30% of Indonesia's 500 mammal species now endangered. Indonesia now has more endangered species than any other country in the world. The tiger is one example, with the Balinese tiger going extinct in the 1950s, the Javanese tiger going extinct in the 1980s and only the Sumatran tiger remaining with numbers down to just a few hundred. These, and other examples, have led to the GEF rating Indonesia at 90/100 on its benefits index for biodiversity. But the impacts of forest losses are not only seen on biodiversity. Indonesia was recently rated as the world's third largest source of greenhouse gases, with 84% of its emissions deriving from forest loss and land use changes. In addition, over 80 million people living in rural areas are also estimated to have suffered as a direct result of deforestation whilst indirect impacts are felt nationally through lost revenue. One report estimates that as much as \$2 billion per year are lost in potential forestry revenue to the government due to unacknowledged subsidies, transfer-pricing and illegal logging. Illegal logging alone is estimated to account for 80% of Indonesia's timber production.

The key drivers for the forestry sector crisis and the resulting impacts on biodiversity and livelihoods are a combination of poor governance, poor institutional coordination and limited monitoring together with the economic pressures of poverty and population pressure. Historically corruption and budgetary resource availability have also played major roles, but economic growth and a series of reforms by the current national government are increasingly shifting the focus onto organizational efficiency and effectiveness. Success stories do exist where national and regional government work with law enforcement agencies and NGOs, but such efforts are often isolated and subject to the whim of variable grants. Nevertheless, many of these success stories come from projects working in Sumatra and these need to be learned from and replicated and coordinated on a larger scale both across Sumatra and Indonesia.

Wildlife conservation in Sumatra

Across Sumatra, the principal threats to wildlife, which are also ubiquitous across Indonesia, are exemplified by those facing the tiger and its prey, namely,

Forest habitat conversion and degradation: Over the past two decades, Sumatra has been losing just over 2% of its entire forest estate each year. Thus, forest cover on the island has shrunk from 25.3m hectares (in 1985) to 12.8m hectares (in 2009). This loss, largely driven by increased land demands for oil palm and pulp for paper, is disproportionate and has primarily occurred in the more accessible lower elevation forests, which are the most biodiversity-rich and best quality tiger habitats. Furthermore, the conversion has fragmented many larger forest blocks that are critical for the tiger and its large home range requirements. Forest loss markedly differs between Sumatran provinces and is a consequence of the regional governments' varying economic and land use planning strategies. For example, South Sumatra has lost 69% of its forest estate, followed by Riau (63%), Lampung (63%), Jambi (53%), North Sumatra (43%), Bengkulu (41%), West Sumatra (29%) and Aceh (23%). In addition, forest fires, largely recorded from Riau, Jambi and South Sumatra, are used to clear land for agricultural plantations, typically on peatland that can burn for days and release huge amounts of carbon into the atmosphere posing risks to both wildlife and human health.

Forest degradation is largely caused by the selective removal of high quality timber trees, i.e. illegal logging. Estimates for Sumatra do not exist, but between 45% and 90% and all timber removed from Indonesia's forest is considered to be illegal, which undermines revenue generation potential and also community livelihoods. This threat is compounded because it degrades forests that are then considered less important for conservation and assigned for complete conversion to agricultural. Whilst protected areas represent the best hope for wildlife conservation, these are also under threat, e.g. Kerinci Seblat

National Park is threatened by new road creation and 30% of Batang Gadis National Park (North Sumatra province) has been approved for open-cast gold mining.

Illegal exploitation of wildlife and retaliatory killings of tigers: Tigers are directly poached for their body parts to supply illegal domestic and international markets. Given the illicit nature of tiger trafficking, all estimates are conservative, but at least 51 tigers have been poached on average each year from 1998-2002 (approximately 78% for trade and 14% in retaliation to a human-tiger conflict incident. For an island-wide population that is estimated at 500-700 adult individuals this is significant. The poaching of tiger prey, especially deer (for local meat consumption), occurs in each Sumatran province, as does the hunting of wild pigs by sports clubs, but the severity of this threat remains unknown. It has been difficult to quantify the threat posed by human-tiger conflict and the retaliatory killings of tigers due to the absence of a standardized monitoring system. Conflicts are recorded from every Sumatran province and a conservative estimates of 146 human deaths, 265 tiger deaths and 97 tiger captures has been made for 1978-1997. A more recent estimate from the Ministry of Forestry, revealed that 40 humans were killed by tigers from 2000-2004.

The Ministry of Forestry has established a wide-ranging protected area network system for Sumatra (see Section B2), which includes some of Asia's largest protected areas, e.g. Kerinci Seblat National Park (1.33 million ha). To enable more effective management of these areas, the Ministry of Forestry has held long-standing partnership agreements with WCS and FFI and has developed a new partnership with ZSL. These collaborative approaches are described below,

The Ministry of Forestry has held an MOU with WCS since 1997. This enabled WCS to begin its work on Sumatran tiger conservation in Bukit Barisan Selatan National Park, which continues today. In 2007, the Ministry of Forestry expanded its tiger conservation partnership with WCS through collaborating in the Gunung Leuser National Park. This has achieved significant outputs, such as time-series biological monitoring datasets on the population status of tigers and their prey in both protected areas, the establishment of human-tiger conflict mitigation units and an effective anti-tiger poaching and trafficking program. Today, the Ministry of Forestry and WCS jointly operate eight conflict mitigation units and three national level anti-poaching and trafficking units. The partnership has expanded further to bring in local communities to monitor and mitigate human-tiger conflicts in those villagers most prone to such problems. Since 2010, a total of 52 conflict hotspots have been identified for intensive monitoring and 33 incidents have been effectively addressed, typically by introducing tiger-proof enclosures to secure livestock and taking care of the wounded tigers. Outside of protected areas, WCS closely works with other government agencies (police, customs and excise, and quarantine agents) to reduce wildlife poaching and trafficking throughout Sumatra. Since 2003, a total of 25 cases of tiger trade have proceeded to the courts and 30 traders, hunters, and unauthorized owners have been sentenced between 7 months and 3.5 years. A total of 9 live tigers, 13 skins, and up to 220 tiger parts were confiscated. Along with this, a total of 6,600 live and parts of up to 30 other protected species were confiscated.

The Ministry of Forestry has held an MOU with FFI since 1996. This was to initially set up one of Indonesia's first camera trapping programmes, in Kerinci Seblat National Park and which continues today under the national park's budget. The Ministry of Forestry then worked with FFI to establish Tiger Protection and Conservation Units for the national park. Beginning in 2000, a total of 5 units that now include community team members are operating. The combined successes of these units has led to the prosecution of 28 individuals for tiger poaching/trading and the destruction of 144 purpose-built tiger snare traps and 4862 deer snare traps. In the nearby Batang Hari Protection Forest, the Ministry's Agency for Natural Resource Conservation (BKSDA) has been working with FFI to reconnect this area with Kerinci Seblat National Park by developing a multi-agency MOU, which would represent an important model for replication elsewhere. In Aceh province, BKSDA and FFI have been working since 1998 to build the capacity of forest-edge communities and government (provincial and district) partners to jointly resolve human-wildlife conflicts and threats to wildlife. This recently led to the establishment of a multi-stakeholder network to tackle illegal logging. From 2008-2009, for example, 190 forest offences were

reported by local communities to the police and to the Aceh Forestry and Plantations Agency (BKSDA's provincial government partner), resulting in 86 law enforcement operations that confiscated 251 m³ of illegal timber, 26 vehicles, 17 chainsaws and two industrial saws, closed three sawmills, and arrested 138 illegal loggers. Of the 45 cases monitored until a known outcome, most (29 cases) proceeded to court and, of these, approximately half (48.3%) of the defendants received a prison sentence (ranging from 4 months to 4.5 years), with the remainder receiving a verbal warning (41.4%) for a first offence or awaiting a final verdict (10.3%). BKSDA-Aceh and FFI have also worked to support the provincial government in developing a high quality spatial plan that fully incorporates environmental concerns, providing alternative livelihoods to forest offenders as Community Rangers, and supporting the Government of Aceh's Task Force to develop a REDD project for the 738,000ha Ulu Masen forest estate.

The Ministry of Forestry has held an MOU with ZSL since 2011 to enable collaborative efforts within Berbak National Park that include sustainable financing and biodiversity conservation, with the Sumatran tiger as the focal species, by: i) undertaking scientific tiger and prey species population surveys; and, ii) establishing and coordinating the first wildlife conflict and crime unit in Jambi province, which collaborates with a wider governmental stakeholder network, with team members from the National Park office, local forestry office and BKSDA-Jambi. The stakeholder investment by each department and their ability to legally enforce wildlife protection has been pivotal in creating a highly successful sustainable unit, resulting in a dramatic reduction in human-tiger conflicts and consequently human and tiger deaths. The Ministry's partnership with ZSL is expanding to encompass Sembilang National Park. Activities will initially focus on assessing the status of tigers, their prey and their threats and, from this, develop and implement protection measures through the establishment of an enforcement team, based on the Berbak model. Outside of the protected areas, ZSL will support public-private management forum establishment for each of the two national parks to increase wide stakeholder involvement, focusing on corporate social responsibility and best management practices linked to certification schemes such as Forest Stewardship Council and the Round table for Sustainable Palm Oil.

In addition to their work with the Ministry of Forestry, FFI and ZSL are partnering with various levels of government (national, provincial and district) on developing REDD projects in Sumatra. FFI is supporting innovative sustainable (REDD) financing through a Community Carbon Pool/Village Forest (*Hutan Desa*) scheme that borders Kerinci Seblat National Park and, more widely, a collaboration with Biocarbon (which is partnered by the World Bank Group's International Finance Corporation and Macquarie Bank) in Kapuas Hulu district (West Kalimantan). Furthermore, in Ulu Masen, FFI is supporting provincial government to develop a REDD project that was the first in Indonesia to receive Climate, Community and Biodiversity Alliance (CCBA) accreditation. Similarly, in Berbak National Park, the Ministry of Forestry is partnering with ZSL and key provincial stakeholders in developing a REDD project has led to its designation as an official national REDD+ Demonstration site for peatlands in protected areas, thereby directly informing national REDD+ strategy development.

At a policy level, the Ministry of Forestry brought in all of the partnering organizations in this proposal to provide technical advice to national strategy development, which includes the Indonesian Tiger Strategic and Action Plan and the National Tiger Recovery Program. An important development has been the HarimauKita (Sumatran Tiger Forum), which has acted as a useful communication and advisory channel for the multiple NGOs to support government in a more coordinated manner, especially in its work with the Global Tiger Initiative.

A gap in the conservation efforts, thus far, has been the lack of widespread engagement of provincial and district governments, especially in sustainably managing forests outside of protected areas. This is clearly important because, for example, the Government of Riau continues to expedite its economic development plan that prioritises the conversion of forest estates to oil palm and pulp/paper wood plantations. Over the past 25 years, 65% of the province's forest has been completely converted. Also, district governments within Bengkulu and Jambi provinces have submitted road construction proposals, and allocated annual budgets, that would bisect three of Kerinci Seblat National Park's core tiger areas. In contrast, the

Government of Aceh has been positively engaged by NGOs and developed several pro-conservation initiatives, such as a logging moratorium (in stark contrast to Riau province) and REDD+ projects, that are based around its sustainable economic development strategy (known as ‘Aceh Green’). In Ulu Masen, Aceh, district governments have allocated small, but significant, funds (e.g. \$30,000) for supporting forest patrols and human-wildlife conflict mitigation.

At present the estimated baseline funding (defined as the expenditure by the Ministry of Forestry and NGOs partners in each of the focal protected areas over the past five years) is \$27,828,000, as outlined below.

Table 1. Baseline expenditures by Government and NGO in Target Wildlife Landscapes in Sumatra

Current Activity	Bukit Barisan Selatan NP (WCS past 5yrs expend)	Kampar (WCS past 5yrs expend)	Aceh-Leuser (WCS past 5yrs expend)	Ulu Masen (FFI past 5yrs expend)	Kerinci Seblat NP-B. Hari (FFI past 5yrs expend)	Berbak-Sembilang (ZSL past 5yrs expend)	PHKA past 5yrs expend for all landscapes	Total (US \$)
Biological monitoring	100,000	0	100,000	55,000	125,000	150,000	3,859,950	4,439,950
Law enforcement patrols	50,000	0	125,000	115,000	300,000	100,000	7,719,900	8,429,900
Wildlife trade	25,000	0	125,000	0	60,000	0	1,286,650	1,496,650
Human-tiger conflict mitigation	25,000	0	125,000	20,000	60,000	50,000	3,859,950	4,164,950
Management needs assessment	0	0	0	0	0	0	5,146,600	5,146,600
SMART-based patrolling	25,000	0	100,000	0	0	10,000	0	135,000
PA management training	25,000	0	50,000	80,000	0	0	3,859,950	4,014,950
Total	250,000	00	625,000	270,000	545,000	310,000	25,733,000	27,828,000

GEF funding would consolidate the successful strategies described above, enable the reasons for their success to be identified and discussed with the Ministry of Forestry and other local government partners, and then attempt to replicate in other priority Sumatran landscapes. Under the prevailing business-as-usual, this is not happening as the political economy issues driving development at provincial and district levels have not been addressed. Furthermore, each NGO takes a site-specific approach to project implementation, in essence balkanizing conservation efforts. However, on the few occasions where the different NGOs have fully collaborated, the results have been unprecedented and it is proposed that GEF resources will play an instrumental and catalytic role to build on this baseline to capture Global environmental benefits. A recent example is provided by the Sumatra-wide survey where 9 NGOs and the Ministry of Forestry collaborated to conduct the most up-to-date, reliable and comprehensive Sumatran tiger assessment. The results identified the priority landscapes that have subsequently guided the

development of this project and set a clear baseline for enhancing the status of the Critically Endangered Sumatran tiger and other highly threatened wildlife.

It is also clear that efforts to engage local government about the loss of local as well as global benefits from conversion of forest habitat to oil palm and other uses, and less destructive/more biodiversity friendly alternatives to this approach as demonstrated in Aceh, will need to be ramped up.

B. 2. incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

Project outline

The project aims to address the institutional issues facing biodiversity management in Indonesia by focusing on the island of Sumatra, Indonesia's largest wholly owned island. The project will focus on an area that includes some of the most important forests for biodiversity. The project will focus on the national parks of Bukit Barisan Selatan (0.36 million ha), Kerinci Seblat (1.33 million ha), Gunung Leuser (1.10 million ha), Berbak (0.16 million ha) and Sembilang (0.21 million ha). Several of these national parks connect to other biodiversity-rich conservation areas; Batang Hari Protection Forest (0.33 million ha; adjoining Kerinci Seblat), Ulu Masen provincial strategic area (0.75 million ha) connecting to the wider Leuser ecosystem (1.25 million ha; which encircles Gunung Leuser—see map). In combination, these protected and conservation areas cover 5.63 million ha and include the UNESCO Tropical Forest Heritage of Sumatra World Heritage Site cluster (Gunung Leuser, Kerinci Seblat and Bukit Barisan). The project will also include a sample of the forest concessions surrounding these national parks, primarily consisting of production forest. Most of these areas will be selected based on an assessment in the project preparation phase. However, the Kampar-Kerumutan landscape (0.98 million ha) has already been identified as being strategically important because a portion of suitable tiger habitat in Kampar (0.25 million ha) is under consideration for a new protected area status and this would offer an opportunity of managing this area as a tiger source population for the wider landscape and as a pilot for enabling a positive change in status. Together these forests represent some of the largest contiguous areas of forest remaining in Indonesia and represent all of Indonesia's priority 'Tiger Conservation Landscapes'. Besides tigers this region also supports some of the last viable populations of Sumatran rhinoceros, Sumatran orangutan and Sumatran elephant. It also provides vital ecosystem services for the local community (e.g. through water supply regulation; genetic resources with potential commercial application, such as agriculture and bio-products; and, macro-biodiversity with high tourism amenity value), as well as for the international community (e.g. through climate regulation). Thus, the project areas have been chosen for the following reasons: i) they offer the best long-term survival for tigers (e.g. Kerinci Seblat and Leuser-Ulu Masen) and therefore need to act as protected area flagships for Indonesia or they are smaller areas (e.g. Bukit Barisan Selatan and Berbak-Sembilang national parks) that, nevertheless, offer the potential for recovering tigers, if the right management systems are put into place, or offer a model for achieving effective wildlife management in production landscapes (e.g. Kampar); ii) they are Ministry of Forestry priority areas (as stipulated in national policy); and, iii) each project area already has an NGO-Ministry of Forestry partnership that will enable the proposed project to swiftly move to an implementation phase.

Management of biodiversity in the region is extremely variable. In some areas government, NGO and community partnerships operate successful wildlife protection and conflict mitigation teams, such as the Kerinci Seblat-Tiger Protection and Conservation Units or the Wildlife Crime Units operating in Gunung Leuser and Bukit Barisan. In other areas serious problems occur. At a landscape level, deforestation continues inside and outside the conservation areas – sometimes at indistinguishable rates. Clashes also occur between national and regional authorities, or between conservation bodies and other departments, such as the current debate over three proposed roads in Kerinci Seblat National Park. Illegal hunting is also a major issue, threatening in particular the larger mammals such as the tiger.

Conservation efforts in Sumatra have typically been conducted at a site level and between the Ministry of Forestry and an NGO partner. Consolidated efforts to conserve wildlife on Sumatra have only recently begun since the creation of *HarimauKita*, as a unified voice for a coalition of NGOs to more effectively engage with the Ministry. This has not yet resulted in a fully integrated approach for tiger conservation, but there are nonetheless promising signs of increased coordination and the benefits that it can deliver. For example, the Sumatra-wide survey brought together nine local and international NGOs and the Ministry of Forestry to conduct the most comprehensive tiger assessment ever and using a standardized scientific sampling protocol to enable cross site comparisons. In the proposed project, this type of management arrangement would be formalized, whereby the project will be led by the Ministry of Forestry and implementation coordinated by an advisory board consisting of the NGOs and *HarimauKita*. More specifically, *HarimauKita* will directly liaise with the technical landscape-level experts (NGOs) and the Ministry of Forestry both at the landscape-level and national-level. *HarimauKita* will also play a prominent role in coordinating all key activities, e.g. capacity training to ensure that there is ever-increasing knowledge sharing and collaboration between the different NGOs over the project. Where necessary, local government and local community stakeholders will be identified and directly engaged by the project through technical implementation units. Opportunities for dialogue with provincial and district level officials on land use planning and incorporation of SMART Infrastructure Guidelines to reduce the impact of development on wildlife and biodiversity in remaining priority landscapes in Sumatra will be opened up with support from the project and the Ministry of Forestry.

The project aims to address a range of institutional, governance and financial issues underpinning the problems and create a model biodiversity management system operating across the landscape that can be scaled up across Sumatra and, potentially, beyond. The project will approach this through three core components:

Component 1. Increasing effectiveness of key protected area management institutions

As Indonesia's GDP grows, the main barrier to achieving biodiversity conservation is increasingly shifting from the availability of resources to the effective management of resources available. The key outcome from this component will therefore be to improve the management effectiveness of existing protected areas, specifically aiming to increase it by a pre-agreed percentage (as measured by the METT) across the 5.63 million ha of protected areas in the landscape. This will be achieved by a range of activities including: i) Assessment of current management structures and systems (including the weak links in the chain) to enable institutional strengthening; ii) Introduction of standardized monitoring and evaluation schemes and appropriate incentive structures to improve staff performance as well as agency performance through transparent reporting on key indicators, based on a thorough assessment of the protected area system and structures; iii) Replication of existing specialist law enforcement units and capacity building training; iv) Ramped up surveillance, apprehension and prosecution of perpetrators of wildlife crime; and, v) Knowledge management workshops to lay the foundations for scaling up to other protected areas.

Component 1 has prioritized strengthening the capacity of the Ministry of Forestry at the national and landscape level in the above activities. The NGOs will act as its technical partner, with *HarimauKita* overseeing implementation and consistency with high delivery standards. The main target groups are the protected area managers and their deputies (10 people) and then their technical office and field staff (between 20 and 30 people per protected area), who will be trained up in the management performance tools, reporting procedures, annual management plan development (including budgets) and implementation and technical duties such as SMART-based patrolling. Initial support from the Ministry of Forestry for SMART-patrolling system begun with its explicit inclusion (under its former name 'MIST') in the National Tiger Recovery Plan and, since then, has continued through a Global Tiger Initiative commitment that has resulted in four Ministry of Forestry staff and three of its NGO/local partner staff from three Sumatran landscapes attending two international training courses held in Thailand (2011 and 2012). To capitalize on this, *HarimauKita* will run training workshops for the Ministry of Forestry and NGO partners and then follow-up with supervision and, where needed, refresher training.

Component 2. Developing inter-sectoral governance systems in priority landscapes.

Whilst increasing the effectiveness of management inside protected areas is vital, it is critical to ensure that biodiversity management across the wider landscape engages the other range of actors with significant influence over biodiversity conservation but who do not necessarily consider biodiversity a priority. Three key outcomes are targeted from this component. First, the project will bring together all of the relevant agencies (at national and local levels) through creating biodiversity management partnerships and transparent reporting on performance results through a web-based GIS M&E system. Second, NGOs working in their respective landscapes, and with *HarimauKita*, will take the Ministry of Forestry and District level authorities involved in enforcement of forest concessions, as well as regional development planning authorities (e.g., BAPPEDA), and select private sector actors through the entire process of piloting several innovative forest/biodiversity projects. These include applying World Bank Smart Green Infrastructure guidelines to partially address the proposed Ladia-Galaska road network that would fragment the Leuser Ecosystem); scaling up REDD+ schemes, such as village forest (*hutan desa*), which also fully considers the role of women in natural resource use and engaging with companies managing production areas to set aside important forest habitat corridors and buffers to protected areas as part of Corporate Social Responsibility (CSR) programs, and monitoring the results, with wide public recognition of successful pilots and companies. The REDD projects (either *hutan desa* or protected area approaches) will engage communities to sustainably manage their customary forest (through land tenure recognition, land use planning, benefit-sharing mechanisms and forest protection). This will involve completing a Free Prior and Informed Consent process (FPIC), considered an international best practice for ensuring proper community participation in REDD projects.

Third, the project will dramatically improve conditions for wildlife population viability in priority areas (identified as ‘Source Sites’) in each the focal landscapes through eliminating threats (i.e. poaching and trade, and reducing unplanned deforestation to <1%/yr) and reducing human-wildlife conflicts by 90%. This will be achieved by: (a) Implementing standardized biological monitoring and reporting schemes, for which a robust methodology and baseline dataset already exists, and conducting repeat landscape surveys to measure wildlife and threat trends; (b) Supporting intelligence-based patrols to with community participation and providing incentives to those communities, e.g. maintaining snare-free landscapes over time; (c) Establishing best practice conflict reduction demonstration plots (through improved animal husbandry, such as tiger-proof livestock pens); (d) Identifying problem wildlife release sites based on ecological, socio-economic and political considerations; and, (e) Developing a post-release protocol that ensures problem wildlife are satisfactorily monitored and remedial measures taken should conflict reoccur. For each activity, the NGOs and *HarimauKita* will build the capacity of Ministry of Forestry trainers, who will then take on ever increasing responsibility until, by project end, they are providing all trainings, with minimal supervision from partners. For those activities located at the forest-edge (i.e. human-tiger conflict management) and that involve joint patrolling between community and government rangers (across the landscapes), Ministry of Forestry guidelines for community engagement and co-management will be socialised and implemented.

Component 3. Sustainable funding for biodiversity management in priority landscapes

The final component supports the recognition that, whilst institutional reform, better use of resources and mainstreaming conservation are essential and can go a long way towards improving the efficacy of existing budgets, ensuring the availability of adequate and dedicated financing for biodiversity conservation over the long term is essential for achieving the goals of reversing species and habitat loss. This is particularly true in a world where the availability of grants for biodiversity conservation means that government spending priorities tend to focus elsewhere, leaving an unsustainable reliance on donors. Two outcomes will be targeted for this component: i) the first is development of one or more options for increasing revenues available to protected area managers sufficient to meet expenditure requirements for effective biodiversity conservation over the long-term as measured by the financial sustainability scorecard. Specifically the project would aim to complete sustainable financing plans for 5 protected areas covering 5.63 million ha, testing different revenue generating mechanisms, through a partnership

approach. Here, the project would explore the possibility of developing mutual agreements between the national protected area authority and an NGO to secure and contribute at least an equivalent amount of resources toward managing a particular protected area or management issue. This public-private sponsorship approach was developed successfully in the protected area network in Peru under a GEF grant, and if deemed feasible for Sumatra, would be trialed and assessed in the priority landscapes, creating a new and innovative partnership model for Indonesia; and, ii) the second outcome would be a mechanism for increasing revenue available to managers outside protected areas sufficient to meet expenditure requirements on biodiversity conservation. Specifically the project would aim to produce sustainable financing plans for conservation for selected unprotected areas. Both outputs would be achieved using similar activities focusing in different areas, with the main difference being the type of financial instruments and for profit business models used in each. Financial planning would include: i) identifying the financial shortfall required to fund desired biodiversity conservation activities, but also to identify how current resources should be better spent; ii) assessment of the feasibility for payments for ecosystem services within protected areas e.g. carbon, biodiversity banking, water and ecotourism; iii) assessment of the feasibility of using Corporate Social Responsibility programmes from organizations within the target landscapes to contribute to local biodiversity financing; iv) using a portion of licensing fees to underwrite conservation; and, v) workshops to disseminate knowledge gained to a national level.

ZSL, WCS and FFI are currently working to create a corporate conservation initiative by establishing private/public management forums to improve forest connectivity and effectiveness of protected (and conservation) area management in Indonesia. The model includes large businesses, smallholder farmers, rural communities and local (district/provincial) governments. For ZSL and WCS, production landscape practices are being improved to reduce pollution and facilitate the adoption of best management practices that are biodiversity friendly and which can, subsequently, be accredited under a wildlife friendly certification scheme currently being developed by the two organizations. This forms part of a wider initiative that will integrate biodiversity into business under the CBD/ICUN Global Platform for Business and Biodiversity. The methodology and lessons learned from this initiative will be adapted and piloted in the Berbak-Sembilang landscape, with a view to enhance and replicate in other priority protected areas. The result of these activities will be disseminated to enable institutional frameworks to be put in place to facilitate the forums, as well as internationally through certification schemes such as RSPO, FSC and areas such as the CBD Global Platform for Business and Biodiversity. The Ministry of Forestry and FFI are implementing village forest (*hutan desa*) schemes around Kerinci Seblat National Park as a novel model for developing REDD initiatives at a local level and outside of a protected area. The model being applied in Ulu Masen differs in that FFI supports the provincial Aceh government to develop a REDD project that encompasses conservation areas and production landscapes. An evaluation of these varying approaches will be conducted and captured within a management handbook and their feasibility in the other project landscapes assessed for piloting. Thus, at the very least, there will be ongoing exchanges between the landscapes throughout the project, but with a view to increase replication of appropriate financing models.

The funding requested for the five large landscapes, which cover a combined 6.47 million ha, is \$9.1 M (exclusive of I(A fee). This breaks down to an average cost of \$US1.40 per hectare of rainforest over five years. Given the challenges to counteract the myriad forces working against wildlife conservation in Indonesia, the resource request to the GEF does not seem to be excessive. Because these grant resources will leverage an additional \$52 M in co-financing from the Government, NGO community and the private sector, and catalyze reform in how conservation resources are spent to achieve greater impact, an investment of this order would seem to be very cost-effective. In summary, without this project, the business-as-usual approach will continue; no new net resources will be generated to support long-term management and existing needs, current resources will be depleted with no significant or measurable effect, adaptive management strategies will be neither developed nor implemented and biodiversity and forests will continue to decline. Changing this approach requires an admission that limited financial and human resources are not the most significant issue in Sumatra, but rather it is the use of them that is. Thus, the project will deliver cost-effective biodiversity conservation by improving efficiency within

protected area management and strengthening the regulatory basis for the sustainable management of non-protected habitats. Previous initiatives to protect key wildlife species and their habitats in Sumatra have tended to focus on adding layers, or duplicating resources, rather than addressing the question of why the existing resources are not delivering. This project aims to explicitly remove this constraint and at a scale that is large enough to see a real and measurable impact. Ground level monitoring and evaluation will feed into central government planning, existing human resources and financial management practices will be replaced with incentive-based systems that promote motivation by rewarding success and management units will reconsider their structure and organization in response to the threats and opportunities they face, rather than following formulaic approaches that have yet to yield the desired results. Within the focal protected areas, small-scale projects have already achieved limited success and provide models for the different activities, such as law enforcement patrolling and biodiversity monitoring. This project will capture these activities, integrate them within a best management practice that will act as a pilot for dissemination across Sumatra, and ultimately across Indonesia. The global environmental benefits that the project is expected to bring include the delivery on all major national strategies for biodiversity conservation in Sumatra, leading to a reduction in greenhouse gas emissions, and the generation of improved financing mechanisms for the protection of biodiversity inside and new mechanisms for outside protected areas.

B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF). As a background information, read [Mainstreaming Gender at the GEF.](#)":

At the local level, tangible socioeconomic benefits will be delivered to rural communities directly, through better managing their conflicts with wildlife and indirectly the protection and restoration of the major watershed forests in Sumatra and the ecosystem services that they provide. The province of Aceh in northern Sumatra provides compelling evidence of the importance of these services, which are found in all other project provinces. A total economic valuation of well-protected forest and its ecosystem services in Aceh estimate these to be worth US\$12.9 billion over 30 years. Although this represents local and national benefits, at least some of these local benefits would be expected to offset the costs of conserving globally significant biodiversity in the forests.

At the national level, this project will represent a model for how forest resources should be managed and thus will have a direct impact on the estimated 100 million people who are estimated to depend on forest resources, in particular the 50 million who are living on land classified as public forest. Furthermore, the project will directly support the Government of Indonesia in implementing its national REDD+ scheme in pilot Sumatran sites, e.g. Ulu Masen, through delivering improved management of forests and biodiversity that clearly demonstrates reduced rates of deforestation and loss of globally significant biodiversity. Local communities represent an important stakeholder in REDD+ projects and will be entitled to a share of revenue.

There are two project components where gender has been identified as being important. In Component 1, the role of women in protected area management is likely to be highly influential on success. Indonesia has a relatively good record at empowering women compared to some countries, but significant barriers to progress still remain. The importance of gender equality will therefore be addressed specifically when management structure and reforms are addressed. Gender will also be important in Component 2 when engaging communities through green rural development and income generating schemes for rural households, firstly because women may have a different relationship with their environment to men, which might reflect the range of development and conservation options they would find beneficial and secondly because female engagement in implementation is likely to be important for the success of development projects.

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

Event / mitigation	Probability	Consequence
<p><i>Obtaining government buy in at all levels</i> The key risk given the overall objective of the project is obtaining sufficient levels of buy-in from all of the relevant sectors of government to enable the fundamental changes in management and coordination the project is targeting. In particular, divisions exist between national and regional levels of government. An illustration of this risk was given recently following the decision of district governments to build three new roads within Kerinci Seblat National Park in direct contradiction to two Indonesian laws and various national commitments such the Global Tiger Recovery Plan and Sumatran Tiger Strategic Action Plan. The final decision on the roads has now been referred to the Minister of Forestry. The project recognizes these risks and is attempting to mitigate them by engaging partners from all sides from the start. A list of partners engaged is given in B5.</p>	Medium	High
<p><i>Lack of commitment from non-focal government agency stakeholders:</i> Even if formal approval to collaborate is given, obtaining the sufficient level of commitment from organizations that do not feel biodiversity is a priority could also inhibit Component 2. Biodiversity conservation is not high on the agenda of most non-environmental government agencies. Yet, certain agencies, such as Public Works (responsible for infrastructure) can have a substantial and detrimental impact if environmental concerns are not adequately addressed in each project’s Environmental Management Plan as part of the Environmental Assessment process, and if the necessary budget is not provided to implement the actions sufficiently. The project will work with the Provincial Environmental Assessment Agencies to ensure that, for example, the GTI’s ‘<i>Smart Infrastructure</i>’ principles and actions are adopted, especially in relation to road construction through important biodiversity areas, and develop interagency policy and regulatory measures by local decree that ensure agencies are incentivized and responsible for both considering and evaluating biodiversity impacts, and held accountable for not doing so.</p>	Medium	Medium
<p><i>Lack of support from industrial sector stakeholders:</i> Conserving wildlife is not the priority for plantation and forestry companies. The project will mitigate this risk by a combination of promoting best management practices of each sectors, public awareness raising through the media, public and private dialogue, regulatory approaches, and market driven self-regulations approaches to improve management with plantation and forestry sectors that, in return, add premium value to their products. Technical assistance will be provided by NGO partners to ensure these companies have sufficient knowledge to manage and conserve wildlife. Newly created partnerships, such as the Ministry and Forestry signing an MOU with a major pulpwood and paper company to protect tigers within its concessions,</p>	Medium-High (variable by component)	Medium (variable by component)

highlights the willingness of the industrial sector to engage in sustainable forest management that delivers net biodiversity benefits.		
<p><i>Lack of conservation funding for biodiversity-rich habitats outside of protected areas:</i></p> <p>The increased but still meager and inefficiently-used national budgets for biodiversity conservation are primarily allocated to protected areas, which tends to undervalue and sideline non-protected forest areas even though they have increasingly high biodiversity value as the overall forest area diminishes. The project will address this risk by engaging with the plantation and forestry industries to promote improved management of biodiversity within their concessions and incentives for doing so. The project would mitigate this risk by directly addressing it through a sustainable financing strategy that would include buy-in by the private sector.</p>	Medium-High (variable by component)	Medium (variable by component)
<p><i>Uncertainty in REDD+ development:</i></p> <p>One of the most promising prospects for alternative funding for Component 3 currently lies with the development of REDD+. There are two risks associated with this. Firstly, compliance markets might not materialize if no agreement to replace the Kyoto Protocol is made. This would severely restrict both the price and demand for carbon credits and thus the potential for indirectly providing biodiversity financing. Secondly, there is a risk that voluntary markets for REDD+ will also not develop to a sufficient stage to allow financially viable projects to occur. Of particular concern at present is the lack of progress on legislation and guidelines concerning REDD+ in Indonesia at present. However, under the signing of a Letter of Intent in 2010, with an estimated US\$1 billion being committed by the Government of Norway to incentivize the Government of Indonesia to develop and implement a best-practice national REDD+ strategy, the outlook is improving.</p>	Medium	High (Component 3)
<p><i>Failure to learn from previous experiences:</i></p> <p>This project has analyzed previous biodiversity conservation initiatives in Sumatra. It differs in that it seeks to improve the <i>system</i> that plans and evaluates interventions, rather than just performing a series of interventions. As such it has the power to continually learn and adapt; avoiding mistakes of the past. The Kerinci Seblat-Integrated Conservation and Development Project (ICDP) provides a sobering reminder of the problems associated with project implementation for a large-sized donor-funded project if poor inter-agency coordination exists. In our project, the good coordination shown between multiple NGOs and the Ministry of Forestry during the Sumatra-wide survey, with HarimauKita acting as a facilitating agency, demonstrates the how a regional initiative can be successfully implemented. A similar approach would be followed in the GEF project. From the Aceh Forest and Environment Project, supervised by the World Bank, a key lesson learned was that simply sending reports on illegal logging to the law enforcement agencies does not illicit a response, but proactively engaging with these agencies (e.g.</p>	Medium	Medium

building their capacity to respond and linking them within a wider stakeholder network) does. This type of approach will be applied in the proposed project, especially in conducting intel-based law enforcement patrols, with the performance being assessed through SMART-patrols to enable ongoing improvements, and reported in a transparent way accessible to the public.		
<i>Climate Change:</i> The nature of the project means climate change effects are unlikely to impact objectives or activities directly, although in the long term climate change may alter habitat structure or species resilience, and possibly protected area boundaries.	Low	Low

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

The project will be led by the Indonesian Ministry of Forestry which has ultimate jurisdiction over all forests in Indonesia, specifically PHKA, and by provincial and district leaders and their respective forestry offices within Sumatra. These government agencies will be supported in implementation by partners representing all of the major civil society organizations currently operating on biodiversity conservation in the region. These include WCS, FFI and ZSL. The project is also supported by key species focal groups, in particular *HarimauKita*, Indonesian Orangutan Forum (*FORINA*), Indonesian Elephant Forum (*Forum Gajah*) and the Indonesian Rhinoceros Forum (*YABI*). All of these organizations have a long history in and around the project focal area and operate under individual agreements with the Ministry of Forestry.

Support from other stakeholders from government (such as the Ministries of Environment and Agriculture, the military, police and customs and excise), from the private sector (including commercial logging companies holding management rights to production forest concessions and local communities in the region already exists with individual project partners, working in the areas identified below.

Infrastructure development and spatial planning falls under Public Works and Regional Planning and Development Agency (*Bappeda*), with which most of the NGOs are already partnering through their support to spatial plans. The project preparation phase will focus on coordinating these existing relationships into an overall network of project stakeholders.

Implementation will be coordinated by an advisory board chaired by a senior representative of the Ministry of Forestry and representing all project partners. Different activities will be conducted by the Ministry of Forestry working in partnership with all of the major non-governmental conservation organizations in the region which have been running successful and long-term (>10years) projects that include: WCS's work in Bukit Barisan and Gunung Leuser national parks, as well as a new project site in Kampar-Kerumutan; FFI's work in Kerinci Seblat National Park, Batang Hari Protection Forest and Aceh province; and, ZSL's work in Berbak National Park and recent expansion into neighbouring Sembilang National Park.

Both FFI and ZSL Indonesia work on conservation financing in the public-private sector, e.g. providing support to government (national, provincial and district) partners in REDD project development.

Furthermore, *HarimauKita* will play a prominent and important role as an on-site facilitator with the PHKA-NGO landscape partners and coordinating activities between the different landscapes to ensure a complementary approach.

B.6. Outline the coordination with other related initiatives:

- Global Tiger Initiative (GTI): The GTI is an alliance of tiger range state governments, international agencies, civil society and the private sector united to save tigers from extinction. Supported by the World Bank and the Smithsonian Institution it has produced the Global Tiger Recovery Programme (GTRP), a synthesis of individual National Tiger Recovery Programmes (NTRPs). This proposal was designed to be strongly complementary to the goals of the GTI and addresses all of the priority themes listed for Indonesia outlined in the GTRP,

- Securing source sites as population strongholds (the project area represents the three top ranking Tiger Conservation Landscapes in Sumatra, which are also Asian priority sites)
- Scaling up specialized law enforcement
- Improving law enforcement and its funding
- Improve the capacity of the Ministry of Forestry to deal with tiger conflict
- Reducing international trade in tiger parts
- Creation of a long term monitoring system

Under the GTI, a Multi-Donor Trust Fund (MDTF) is being established to (i) address transboundary issues like combating wildlife crime, scientific monitoring and reducing demand for wildlife (\$18 M); as well as to (ii) mobilize resource for GTRP country-level actions. This includes co-financing (up to \$6.5million) to support the following as part of *national priorities*, (i) habitat management, (ii) controlling prey and tiger poaching, (iii) capacity-building, (iv) community engagement and mitigating tiger-human conflict, (v) controlling illegal trade and demand for tiger products and derivatives, (vi) scientific monitoring and surveys, and (vii) transboundary management.

Thus, the MDTF includes an important window for channeling much needed financial support to high-priority actions within the NTRPs that both pilot Global Support Program (GSP) findings and tackle the critical transnational actions needed in this vital first five years of the GTRP when the threat of extinction is highest.

The current project will further strengthen the GTI and seek to collaborate with other World Bank supported projects addressing similar issues. This would include opening up a dialogue with the GEF supported wildlife conservation project in Northeastern China (should it be funded), which is planning to take a landscape approach for strengthening management institutions, restoring critical habitat and reducing threats to tigers.

- ASEAN Wildlife Enforcement Network: Project partners include the two key Government of Indonesia representatives to this regional wildlife trade reduction forum (Department of Forestry and National Police).
- Aceh Green Initiative: the Government of Aceh's sustainable economic development strategy for the province. This also includes several donor-funded projects being implemented by FFI that are funded under the European Union's 'Aceh Peace Process Support' programme (ending in July 2012) and the World Bank's Consolidating Peaceful Development in Aceh' program (ending in July 2013) all of which have objectives consistent with improved tiger habitat management and reduced wildlife poaching.
- Debt for Nature Swaps: Currently two large-scale DNS programs are underway in Sumatra (German Government and US Government, under the Tropical Forest Conservation Act). Partners in both initiatives are represented within the project, allowing for close coordination and high potential for leveraged support.
- Indonesia REDD+ Programme: With potential earnings from REDD+ estimated at \$2 billion per annum, Indonesia is one of the leading countries in the development of a REDD+ programme. With funding from various agencies, including UN-REDD, the World Bank's Forest Carbon Partnership Facility and, most recently, The Government of Norway, Indonesia is currently focusing on REDD preparation. This includes the strengthening of institutions required to implement an effective REDD programme and the technology required to monitor and measure reduced emissions. The Ministry of Forestry is integral to the development of this programme. Also, the project will collaborate with the European Union's Euro7.5 million climate change project for Aceh (which will run from 2012-2016). This project will seek to strengthen governance systems related to REDD requirements, therefore providing benefits linked to better forest management. It includes a Euro2.5 million sub-component for civil society involvement in reducing deforestation, e.g. working with the law enforcement agencies.
- An opportunity exists to collaborate with another proposed GEF project for Sumatra (entitled RIMBA) that is currently being developed by WWF (in partnership with UNEP) and one for

Sulawesi (entitled E-PASS). The RIMBA project is complementary to the current (Sumatra-wide) proposal in that its focus is on provincial and district government partners in the production landscape of a portion (3 provinces) of the wider Sumatra landscape. Whereas, the Sumatra-wide project proposed here predominantly focuses on the island's main protected areas, which are the highest priority for biodiversity conservation, the RIMBA project focuses on some of the surrounding forested areas where components of biodiversity, especially large-bodied mammals, would disperse into. Thus, the Sumatra-wide project will take a landscape approach, primarily in protected areas, but also in non-protected forest areas, and work with the main stakeholders in these landscapes to protect critical core habitat and breeding grounds for wildlife and create biodiversity-friendly, wildlife corridors and buffer zones where threatened and endangered wildlife can transit through or expand into as populations recover, and forest cover is stabilized. The RIMBA project then takes a complementary approach through its strong emphasis on investing in natural capital and low carbon growth initiatives outside of protected areas. E-PASS intends to focus on institutional planning and management capacity within protected areas, financial sustainability of protected areas and threat reduction and co-management at the protected area borders. It therefore shares several common goals with our Sumatra-wide proposal and is highly complementary. Plenty of opportunities therefore exist for collaboration and sharing approaches and experiences, e.g. in SMART-patrolling and REDD pilot projects, that can maximize project impacts. These will be actively explored in the preparation phase, so that synergies can be developed for the implementation phase.

- The Community Empowerment National Program (*Program Nasional Pemberdayaan Masyarakat, PNPM*) which provides block grants to communities to invest in priority “social infrastructure” (water supply, latrines, schools, etc) can serve as a platform for improved, community-based conservation in areas where good forest habitat still exists. A performance-based/conditional cash transfer scheme for community block grants targeting wildlife conservation could conceivably piggy back on the Green PNPM program as a delivery mechanism for scaling up wildlife conservation efforts and sustaining community buy-in, long after the GEF project ends. This will be explored during project preparation.

c. describe the GEF agency's comparative advantage to implement this project:

The World Bank is ideally placed to implement this project having been actively involved in promoting GEF biodiversity projects in Indonesia, and having implemented a number of GEF projects with significant NGO input over the last 15 years, with several Sumatran-specific GEF projects (Aceh Elephant Landscape Project, Kerinci Seblat-Integrated Conservation and Development Project, Greater Berbak-Sembilang Integrated Coastal Wetlands Conservation Project and Indonesia - Forests and Media Project (INFORM)). The Bank's comparative advantage comes in particular from its convening power, financial leadership and ability to engage the Government of Indonesia in policy dialogue related to the protection of globally important biodiversity with clear global and local benefits. With access to Development Policy Loans the Bank has the option to facilitate the development of Components 1 and 2 whilst the Bank also has the capacity to engage the private sector for Component 2 through the IFC if required. Furthermore, within Indonesia the Bank has a wide ranging portfolio with plenty of scope for synergies through the Country Assistance Strategy. In particular, the Bank's engagement in forest carbon through new and innovative climate finance instruments such as the Forest Investment Program and Forest Carbon Partnership Facility will have a direct bearing on Component 3.

Across Asia, the World Bank is playing a major role as the secretariat of the Global Tiger Initiative, the potential synergies of which have already been outlined in detail in section B6. In connection to the GTI the World Bank is partnering with all 13 Tiger Range Countries and leading institutions in Tiger Conservation. It is currently preparing a Wildlife Conservation project in Northeastern China which targets highly threatened species like the Siberian tiger and other top predators with large home ranges, through a landscape approach which aims to restore the entire ecosystem of a target landscape, thus securing ecological integrity sufficient to support apex predators like the Tiger, and their prey. This operation will inform the design of the current proposal. The Bank is also developing a concept for a Wildlife Premium Market for REDD+, which would be highly complementary to this project. The

wildlife premium concept is being developed in Thailand where another proposed Bank project is developing a pilot carbon wildlife scheme. Elsewhere in Asia, the World Bank is also looking to implement a complementary joint project with the Asian Development Bank in the Greater Mekong subregion, focused on institutional strengthening for conservation management, investment in ecosystem protection and improved regional coordination. Another project on sustainable financing and management for protected areas in Lao is currently on hold due to the development of a road through the conservation area, potentially illuminating one of the risks that this project faces.

c.1 indicate the co-financing amount the GEF agency is bringing to the project:

The current project is not a blended operation, as there is not associated IBRD operation. However, the World Bank is providing support through the Forest Carbon Partnership Facility and the Forest Investment Program to the extent they create an enabling policy and investment environment for improved management of remaining natural forest in Indonesia, and incentives for restoration of logged production forest. Indirect co-financing comes from a variety of sources. Under the GTI, the World Bank is provided grant co-financing of more than \$500,000 for NTRP implementation at the country level, through a Multi-Donor Trust Fund. An additional \$18 million will be mobilized for GTI activities at the global level which Indonesia will benefit from (see B.6).

c.2 how does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

The current Country Partnership Strategy for Indonesia for FY2009-12 recognizes Indonesia's transition to a middle income country with an increasing national budget and therefore focuses on leveraging Indonesia's own public spending through a theme of 'investing in Indonesia's institutions'. This is carried out through investment in projects which work to improve programs, strengthen institutions and encourage replication and the proposed project would be a good example of this. Over the course of the current Country Partnership Strategy, the World Bank Group will provide around US\$ 2 billion a year to build the capacity of central and sub-national institutions related to environmental sustainability and disaster mitigation, education, poverty reduction, community development and social protection, infrastructure, and private sector development. These priorities are grouped into six 'pillars', with the proposed project tracking closely with three of these,

- Strengthening Institutions
- Education
- Environmental Sustainability and Disaster Mitigation.

In addition to these pillars, the Bank is also focused on improving governance of natural resources management fundamental to sustainable, equitable and transparent economic growth. To which the proposed project is aligned with the World Bank-wide conservation priorities supported by Global Tiger Initiative (GTI), a coalition of multilateral institutions, countries and other agencies launched in turn led by the World Bank's President. Furthermore supporting the November 2010 St. Petersburg Declaration on Tiger Conservation and the Global Tiger Recovery Program (GTRP) adopted by the governments of the tiger range countries, in which partners specifically recognize the threat posed by wildlife crime and to collaborate and bring resources to address the problem. The project would be aligned with the actions prioritized under the National Tiger Range Priorities of Indonesia.

The World Bank Group will also help Indonesia implement its National Action Plan for Climate Change by facilitating partnerships with the private sector and civil society, as well as support the Government in developing a pilot framework and program to implement REDD+.

Two WB programs in particular which are designed to support REDD+ also complement tiger and other wildlife recovery efforts through consolidation and improved management of Indonesia's remaining forest assets. These are: The Forest Carbon Partnership Facility (under implementation - FCPF, www.forestcarbonpartnership.org), which is a global partnership focused on REDD, sustainable management of forests and conservation and enhancement of forest carbon stocks (REDD+). A

“readiness fund” assists countries to develop the systems and policies for REDD+, which helps countries get ready for future systems of financial incentives for REDD+. The second is The Forest Investment Program (under preparation, www.climateinvestmentfunds.org), which will support the REDD+ efforts of Indonesia by providing financing for “REDD+ readiness” reforms and public and private investments identified through national strategies. The purpose of this program is to get at the root cause of deforestation and forest degradation, including the absence of clearly articulated property and forest use rights, and weak governance and enforcement that have hindered past efforts.


Indonesia is a FIP pilot country (one of eight) and will be developing a forest investment plan in consultation with stakeholders and in collaboration with the ADB, WB, and IFC. FIP investments are meant to complement implementation activities under the Government’s REDD+ Strategy. The design of Indonesia’s FIP can be informed by and designed to maximize synergies with the current proposed GEF project to transform the effectiveness of wildlife conservation in target landscapes in Sumatra. Regarding staff capacity in the country to follow-up project implementation, the Bank has an ecologist, natural resources management specialist and foresters as well as resource accounting and climate change advisor in its environment team in Indonesia and a tropical ecologist and resources management specialist in its EAP regional staff at headquarters who would jointly oversee project implementation.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE(MM/dd/yyyy)
Dana A. Kartakusuma GEF Operational Focal Point	Special Advisor	MINISTRY OF ENVIRONMENT	

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE(MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Ms. Karin Shepardson		4/10/2012	Jiang Ru	202 473-8677	jru@worldbank.org