



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	5285		
Country/Region:	Indonesia		
Project Title:	Strengthening Forest and Ecosystem Connectivity in RIMBA Landscape of Central Sumatra through Investing in Natural Capital, Biodiversity Conservation, and Land-based Emission Reductions (RIMBA)		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-2; CCM-5; CCM-3; SFM/REDD+-1;		
Anticipated Financing PPG:	\$190,000	Project Grant:	\$9,431,763
Co-financing:	\$37,777,052	Total Project Cost:	\$47,398,815
PIF Approval:		Council Approval/Expected:	June 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jean-Marc Sinnassamy	Agency Contact Person:	Max Zieren

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	Yes	
	2. Has the operational focal point endorsed the project?	<p>There is a letter of endorsement signed by the OFP that we will consider for the time being.</p> <p>However, in view of the next steps and before CEO endorsement, please provide a revised letter with the right numbers. The STAR resources requested in this project are below the numbers mentioned in the letter. But \$1,980,380 are requested from the SFM program, while \$567,210 are mentioned in the letter.</p>	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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		<p>The total GEF grant requested in the letter is \$10,028,010, including the project grant, the PPG, and the fees, while \$10,534,881 is mentioned in the project.</p> <p>April 11, 2013 UNEP is engaged to provide a revised letter by end April 2013.</p>	
Resource Availability	<p>3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):</p>		
	<ul style="list-style-type: none"> • the STAR allocation? 	<p>Yes. Even taking into account the PIFs technically recommended, but not approved, this project grant is largely within the available resources for BD and CCM.</p>	
	<ul style="list-style-type: none"> • the focal area allocation? 	<p>Yes</p>	
	<ul style="list-style-type: none"> • the LDCE under the principle of equitable access 	<p>NA</p>	
	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 	<p>NA</p>	
	<ul style="list-style-type: none"> • the Nagoya Protocol Investment Fund • focal area set-aside? 	<p>The project is triggering \$1,808,566 from the SFM program. This is under the authorized maximum. With \$7.6 million from the STAR, the project might access up to \$2.5 million (ratio of 3:1).</p> <p>Cleared.</p>	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCE/SCCF/NPIF results framework and strategic objectives?</p>	<p>- The document is too long and does not adequately meet GEF standards. The length of a PIF should be 10 pages. In practice, we can handle 10-20 pages. The review sheet then serves to clarify some</p>	

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	<p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	<p>points. Here, the document is notably shorter than the draft we reviewed, but it is still too long (27 pages + 17 pages of annexes). Please provide a document of 10-20 pages and the responses to the review sheet.</p> <ul style="list-style-type: none"> - Reducing the document is not only a cut and paste operation. It should be a way to deeply revise the reasoning to propose a more focused project. It is not clear what the project wants to achieve. The project has a piecemeal approach. More links and consistency between the three components should help. <p>The project is globally aligned with the GEF5 strategies framework. However, some eligibility questions remain:</p> <ul style="list-style-type: none"> - Climate Change: It is somehow difficult to understand the added value of using GEF financing in the project and to differentiate between the GEB (CO2) impact of the numerous baseline activities/funding sources and what incremental GEB the GEF money will manage to bring. Overall it seems that the GEF is essentially financing the good coordination of pre-existing activities/funding and it is difficult to see how this could lead to extra GEB (CO2). - Climate Change CCM3: The use of CC resources under CCM3 is not clear. On the Renewable Energy aspects, one would need to clarify what the GEF will fund that will lead to extra Renewable Energy production (and why it could not be achieved otherwise). In the cases where hydro-power electricity will be 	

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		<p>produced for villages that did not have power before, a brief explanation of what activities this power will help develop would be needed, especially to avoid funding activities that would have negative CO2 or forest impacts.</p> <p>Biodiversity: There seems to be a lot of emphasis on PES, but again, other initiatives seem already be devoted to this without the GEF financing. Besides, one does not understand what the project will do that will put PES systems in place, make them operational and sustainable.</p> <p>Biodiversity: the linkages with the Tiger initiative is not clear. Please explain. Please, mention the Aichi targets that the project will help to achieve, as well as the indicators that are identified. It is OK to mention them in the text. It is even better if you can include them in the result framework.</p> <p>April 11, 2013 Addressed for PIF stage. However, reinforce the reasoning in the CEO endorsement about the CCM3 and BD2 eligibility.</p>	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>Yes. There is a strong buy-in from the country. Five ministers and ten governors are involved in the approach. The project idea is reflected in the NBSAP, the National Action Plan addressing climate change, REDD+ strategy, and more specifically, the Roadmap for Saving the Sumatra Ecosystem and the recent Presidential Decree on Sumatra Island</p>	

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		specifically setting the foundation for a Green Economy in Sumatra.	
Project Design	6. Is (are) the baseline project(s) , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>Ok at PIF stage. However, at CEO endorsement, Please provide the following information:</p> <ul style="list-style-type: none"> - please confirm the cofinancing; - Provide the area of RIMBA corridor that is degraded and specific driver/drivers for such degradation. - Provide existing carbon stocks in the degraded forest land and areas not covered in the baseline projects. Please perform separate analysis for peatlands and for forests. - Please provide the extent of threat (location wise and intensity wise) due to different drivers. 	
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>We thank the agency for the thorough improvement of the document that was informally submitted.</p> <ul style="list-style-type: none"> - We need to understand the logics and the consistency between the three components. - There is too much information on the three demonstration sites and it is difficult to figure out the reasoning and if all pilot site activities are eligible. - Maybe the demonstration areas can be used to demonstrate how valuation can be used to develop/fuel new/existing financial mechanisms for payment for ecosystem services and how this can be linked to sustainable management and policy development. At minimum, use the text in annex to show the criteria; identify the sites with the main objectives. Remove the detailed information. You will then take the time 	

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		<p>of the PPG to adjust the site selection and the intervention strategies.</p> <ul style="list-style-type: none"> - Again, we are not supportive to associate GEF resources to young palm oil or timber pulp plantations (site 2). We would like you to confirm the point is well taken. - The information related to the site 3 is confusing. Please, explain what the cofinancing will do in the baseline scenario, notably the MCA, and explain the added value of the GEF. There are too many activities in too many directions (participatory forest management, forest restoration, forest protection, watershed forum, hydropower - to do what?-, financing incentives...). It is difficult to share the statement that the Payment for Water Services and the Renewable Energy investments will help stopping and reverse forest loss. - The text related to the result framework can also largely be reduced. - We would need some explanation between the logical reasoning and the justification of the components. It is notably difficult to figure out how the third component will "institutionalize" and "scale up" the green economy, while the other components are based on capacity building, governance, and mainly forest conservation and rehabilitation. - The development of a PES scheme is mentioned in the text. However, we do not find objectives, activities, or indicators related to this theme in the result framework. The experience of the 	

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		<p>portfolio analysis of GEF investments in PES (and guidance from STAP) clearly demonstrate that making reference to PES as tool to achieve SFM is good in theory and raise expectations among the local communities, but rarely deliver tangible and measurable results on the ground. If the PIF makes reference to PES as a potential solution without significant background information and investment is likely to result in under-delivering. Please confirm and develop if necessary.</p> <p>April 11, 2013 Addressed.</p> <p>4/11/2013 CCM JS</p> <p>Yes for PIF stage.</p> <p>Recommended Action by CEO Endorsement: Component 1:</p> <p>a. As oil palm expansion is identified as the main threat to forests in RIMBA, please provide justifications based on regulatory actions or economic benefits that the project interventions (PWS and REDD readiness etc) will deter deforestation due to oil palm (small or large scale).</p> <p>b. Please explain the nature of the conservation trust fund and the ability of the agency to manage it.</p>	

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		<p>c. Please provide estimation of direct and indirect CO2 emissions avoided based on on-site information, explain the assumptions made, and methodologies used.</p> <p>d. Please ensure that the carbon credit accounting is aligned with the REDD+ requirements.</p> <p>Component 2.</p> <p>a. In selecting the areas to be restored and protected, please include carbon benefits as one of the criteria in addition to BD.</p> <p>b. Please address leakage issues (shift of oil palm expansion and fuelwood collection to a new non-project location)that may arise due to the project activities.</p> <p>c. Please list economic activities that will be supported through the project initiated RE schemes and establish that they will not contribute to additional GHG emissions.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>There is no doubts that a project in this area can produce Global Environment Benefits. This innovative project for Sumatra is very welcome. However, due to the financing of the project, from BD, CCM, and SFM resources, and somehow to its complexity, it is important to focus on the main GEB and figure out how they will be measured.</p> <p>We agreed on the following GEB:</p> <ul style="list-style-type: none"> - 130,000 ha of forests under SFM - the protection of globally threatened species (but more information will be needed at CEO endorsement to define a 	

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		<p>baseline and a monitoring target).</p> <ul style="list-style-type: none"> - the gains in carbon (26.06 million t of CO2 emissions avoided or sequestered from better practices). <p>We will invite to lower the expectations on other GEB that are mentioned, but more difficult to prove and measure:</p> <ul style="list-style-type: none"> - Improved spatial allocation, forest conservation, and rehabilitation programs on about 2.5 million ha. - The GEF incremental reasoning should be reinforced, notably regarding the numerous on-going projects i.e spatial planning activities, REDD+ scheme development. The objective to strengthen the coordination among ministries, partners is interesting but we can legitimately wonder if a RIMBA facilitating Forum and some training will be sufficient to address the complex governance and implementation arrangements in this area. - Lastly, the activities related to river basin and water management do not seem eligible and appear as a diversion of the project. We do not have any problem to understand that these activities are important, but they can barely be financed under these GEF windows (100,000 ha of watershed management). <p>4/11/2013 CCM JS GHG related GEBs have been noted. By CEO endorsement more reliable and site specific estimations are expected.</p>	

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		Yes, the description of incremental cost reasoning associated with use of innovative spatial mapping and natural capital accounting to prepare a green economy plan is adequate. The project will also finance the incremental cost of piloting REDD+ and setting up associated MRV systems.	
	9. Is there a clear description of: a) the socio-economic benefits , including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		Section A.2.: you do not have to explain again the activities of the project (forum, capacity building, participatory planning, etc). Please just describe the beneficiaries, the stakeholders, and their roles in the project. April 11, 2013 Addressed.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	Yes, the project is based on a participatory approach. addressed.	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	OK at PIF level. A comprehensive risk analysis will definitely be needed at CEO endorsement. - There are high reputational and project risks to be associated to any activities related to palm oil, pulp, and biofuel productions. We do not support any GEF investment on recent industrial plantations. We would like this point clearly endorsed in the PIF. Thanks. - Sustainability issues will have to be addressed a CEO endorsement. - Issues related to main deforestation	

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		drivers such as oil palm needs to be addressed.	
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	The project is build on the three main projects (MCA, REDD+, and TFCA). The project will be coordinated with other GEF projects (IFAD, WB). WWF will have a major role in coordinating RIMBA activities.	
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>- The project is innovative, being the first one in Sumatra dealing with Green Economy.</p> <p>- Sustainability is included in the strategic reasoning, as a full component aims to make the whole green economy sustainable.</p> <p>- The project has a great potential for scaling up thanks to a strong ownership and a high level commitment (Sumatra Vision 2020, Presidential decree for Sumatra development in 2012).</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
	16. Is the GEF funding and co-	The project seems very ambitious. We	

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Project Financing	financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>will suggest to reduce the ambition, avoid dispersion, and stay focus on the raison d'etre of the project: green economy works.</p> <p>April 11, 2013 The PIF is much better. Thanks for the deep revisions.</p>	
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>The cofinancing is largely brought up by the country (national, local) and partners (MCA, NGO). The Agency is only bringing \$682,000 in kind in this operation that reaches nearly \$50 million (GEF \$9.4 million; cofinancing \$37.7 million).</p> <ul style="list-style-type: none"> - At CEO endorsement, please confirm the cofinancing. - We hope that UNEP will be able to increase their cofinancing at CEO endorsement. <p>April 11, 2013 In addition, please remind that cofinancing can be classified either in kind or in cash, but you cannot merge both in the table C on cofinancing. We can consider "in kind" for the time being. Please confirm at CEO endorsement.</p>	
	18. Is the funding level for project management cost appropriate?	No objection.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency	Yes a \$190,000 PPG is requested.	

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	report on the activities using the PPG fund?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	NA	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	February 19, 2013 The PIF cannot be recommended yet. Please address the questions above and provide a shorter and more focused PIF. April 11, 2013 The PIF is recommended for clearance. Please in the PPG include the points highlighted in the cell. 25 (Items to consider at CEO endorsement).	
	25. Items to consider at CEO endorsement/approval.	- We will invite the STAP to review this project as the Green Economy is new in the Agenda and the expectations are high. - Please provide a comprehensive risk analysis.	

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		<ul style="list-style-type: none"> - Confirm cofinancing. - Develop a monitoring plan. - Provide the baseline and the indicators related to the globally threatened biodiversity (forests and fauna). - Complete assessment of risks due to oil palm and of adequacy of project activities in deterring such economic activities. - Provide the area of RIMBA corridor that is degraded and specific driver/drivers for such degradation. - Provide existing carbon stocks in the degraded forest land and areas not covered in the baseline projects. Please perform separate analysis for peatlands and for forests. - Provide the extent of threat (location wise and intensity wise) due to different drivers. - Assessment of GHG emissions reduced or carbon stocks increased based on the site specific information and full consideration of leakage issue. - Alignment of the carbon assessment with REDD+ methodologies. 	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	February 19, 2013	
Review Date (s)	Additional review (as necessary)	April 11, 2013	
	Additional review (as necessary)		

*** This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**