

**PROJECT IDENTIFICATION FORM (PIF)  
UNEP/GEF WORKING TEMPLATE**



**PROJECT TYPE:** FULL-SIZED PROJECT  
**TYPE OF TRUST FUND:** GEF TRUST FUND

**PART I: PROJECT INFORMATION**

<b>Project Title:</b>	<b>Strengthening forest and ecosystem connectivity in RIMBA landscape of central Sumatra through investing in natural capital, biodiversity conservation, and land-based emission reductions ('RIMBA project')</b>		
<b>Country(ies):</b>	Indonesia	<b>GEF Project ID:</b>	5285
<b>GEF Agency(ies):</b>	UNEP	<b>GEF Agency Project ID:</b>	00696
<b>Other Executing Partner(s):</b>	Directorate General for Regional Development of the Ministry of Home Affairs.  Execution partners: Ministry of Public Works; Ministry of Forestry, Ministry of Public Works, Ministry of Environment; State Ministry of National Development Planning / BAPPENAS; Jambi Province; Riau Province; and West Sumatra Province  Management- and technical support: WWF Indonesia	<b>Submission Date:</b>	05 April 2013
<b>GEF Focal Area (s):</b>	Multi-focal area	<b>Project Duration(Months)</b>	72
<b>Name of parent programme (if applicable):</b>	SFM/REDD+	<b>Agency Fee (US\$):</b>	896,018

**A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK:**

Focal Area Objectives	Trust Fund	Indicative Grant Financing (\$)	Indicative Co-financing (\$)
BD-2	GEF TF	6,283,197	17,550,000
CCM-5	GEF TF	1,140,000	4,350,000
CCM-3	GEF TF	200,000	8,550,000
SFM-REDD+1	GEF MTF	1,808,566	7,327,052
<b>Total project costs</b>		9,431,763	37,777,052

**B. INDICATIVE PROJECT FRAMEWORK**

<b>Project Objective: To protect biodiversity and to increase carbon stocks across the RIMBA critical landscape of Sumatra by enhancing forest ecosystem connectivity through green economic development</b>						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount	Indicative Co-financing (\$)

					(\$)	
1. Establishing institutional sustainability and replication for RIMBA Green Economy	TA	<p>1.1 A RIMBA-wide enabling environment that promotes the green economy focused on investing in forest, its water resources &amp; connectivity for conserving biodiversity and carbon</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>▪ <i>All members of the RIMBA Facilitating Forum actively commit to a shared vision of operationalizing the RIMBA green economy;</i></li> <li>▪ <i>NCA used as basis for GE scenario analysis &amp; optimizing economic development planning</i></li> <li>▪ <i>Sustainable Production and Consumption (SPC) principles are adopted by at least two sectors that operate over 15,000 each.</i></li> </ul> <p>1.2 Green economy approach to RIMBA institutionalized and replicated through policy reforms, investments and programmes.</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>▪ <i>At least 50,000 hectares of forests brought under SFM through payments for ecosystem services;</i></li> <li>▪ <i>Government budgets</i></li> </ul>	<p>1.1.1 Enhanced understanding, sustained support and formalized governance by government, CSO and business-sector to the RIMBA Green Economy approach (incl. Facilitating Forum on consultation, local government adoption of green economy, conflict resolution and participatory planning)</p> <p>1.1.2 Technical capacity and operational modalities established in the 9 demo districts &amp; governmental agencies - to create a green economy focused on forest, water and carbon resources.</p> <p>1.1.3 Green economic development and conservation scenario(s) agreed, based on an operational GIS-system, natural capital accounting, and the assessed potential for the RIMBA corridor and three demo areas specifically</p> <p>1.1.4 Roundtables, Sustainable Production and Consumption (SPC) Agreements and Sustainability Reporting<sup>1</sup> covering two key forest- and peatland based sectors.</p> <p>1.2.1 Modifications to land use, forestry and financial policies and associated budgets of government institutions that will lead to replication of the GE approach, the targeting of degraded land and strengthening RIMBA connectivity</p> <p>1.2.2 REDD+ Readiness, Schemes and MRV</p>	GEF TF	2,550,429	10,300,000
					<i>BD:</i> 2,000,000 <i>CC:</i> 300,429 <i>SFM:</i> 250,000	

<sup>1</sup> E.g. in collaboration with the Forest Footprint Disclosure project (FFD, <http://www.forestdisclosure.com/aboutus>) as well as the UNEP/EU SWITCH project (<http://www.switch-asia.eu/switch-info.html>)

		<p><i>allocated to land swaps, to buy backs, to forest restoration schemes and others on investing in natural capital;</i></p> <ul style="list-style-type: none"> <li>▪ <i>25.017million tons of CO2 GHG emissions avoided and/or sequestered (direct plus indirectly).</i></li> </ul>	<p>established in two Jambi Districts.</p> <p>1.2.3 Two Payment for Water Services Schemes (PWS) – operational, w. formalized partnership &amp; payment mechanisms, and ‘FSC certified’ evidence-base established on forest, water and financial benefits (linked to 3.1 investment sites)</p> <p>1.2.4 The reactivated Sumatra Trust Fund for biodiversity conservation.</p> <p>1.2.5 Formal proposal to strengthen the RIMBA corridor and replication of best GE practices to at least 4 other districts, as well as 1 other private sector.</p>			
2. Large-scale demonstration of the RIMBA Green Economy for forests - water, carbon and biodiversity	TA	<p>2.1 Viability and replicability of investing in RIMBA forests and its natural capital demonstrated for nine districts – by targeting three distinct GE development scenarios</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Values of forests, water, carbon and land incorporated in land use decisions and plans;</i></li> <li>▪ <i>13,790 hectares of restored forest in zones critical to biodiversity and ecosystem connectivity;</i></li> <li>▪ <i>89,350 hectares of forest ecosystem that is critical to biodiversity and ecosystem connectivity is protected or apply SFM practices;</i></li> <li>▪ <i>10,000 hectares of peat land and/or peat forests rehabilitated and an additional 20,000 protected from conversion to plantations;</i></li> <li>▪ <i>5MW of renewable energy installed; with 490,000 tons of CO2</i></li> </ul>	<p>2.1.1 Nine District Socio-Economic Plans (RP-JMD) and nine District Spatial Plans (of three demo sites) formally re-aligned to protect and maximise land and ecosystem service values and to respect agreed green economy targets (drawing from the work under Outcome 1.1).</p> <p>2.1.1. Investment 1: Strengthen forested wildlife corridors through enhanced spatial allocation, innovative forest-based interventions and financial incentives in the Dharmasraya/Kuantan Singingi/Tebo nexus.</p> <p>2.1.2 Investment 2: Applying BMP/SPC practices to the protection and restoration of critical peatland and forests in the Tanjung Jabung Timur and Muaro Jambi nexus.</p> <p>2.1.3 Investment 3: Reversing deforestation in critical upland watersheds through transformational change for local economic development along the</p>	GE F TF	5,423,304	23,577,052
					<p><i>BD:</i> 3,310,775</p> <p><i>CC:</i> 780,142</p> <p><i>SFM:</i> 1,332,387</p>	

		<i>GHG emissions potential benefit;</i> <ul style="list-style-type: none"> <li>12.14 tons of CO2 GHG emissions avoided and/or sequestered through LULUCF in investment sites.</li> </ul>	Kerinci and Merangin District nexus.			
3. Landscape-wide monitoring and evaluation of GE practices in RIMBA	TA	3.1 Effective project impact and GE program monitoring system established.  <b>Indicators:</b> <ul style="list-style-type: none"> <li>The M&amp;E system is functioning and providing reliable and credible data that is widely accepted and used and reported on by all national and international partners.</li> <li>Best practices generated by project used nationally towards GE policy development</li> </ul>	3.1.1 Comprehensive M&E system and database on: (i) project performance, (ii) changes in forest resources & connectivity, and (iii) changes in GE-based investments, programs and policies at district and provincial levels (both government and corporate).  3.1.2 Evaluation and national dissemination of best practices of Green Economy for forests - water, carbon and biodiversity (in collaboration with e.g. BAPPENAS, Min of Finance, presidential Reform Taskforce - UKP4)  3.1.3 A Designated Monitoring Authority established to monitor compliance with formal spatial plans and economic development decrees.	GE F TF	800,000  <i>BD:</i> 534,059  <i>CC:</i> 165,941  <i>SFM:</i> 100,000	2,100,000
Sub-Total					8,773,733	35,977,052
Project management cost				GEF TF	658,030	1,800,000
<b>Total project costs</b>					9,431,763	37,777,052

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Ministry of Home Affairs, Min of Public Works, Min of Environment, Min of Forestry, National Economic Development Planning and Development Board	Cash and in-kinds	5,526,346 <i>(breakdown available)</i>
Local Government	Jambi, Riau and West Sumatra provincial governments	Cash and in-kinds	9,687,625
CSO	WWF	Cash and in-kinds	2,654,029
Foundation	Tropical Forest Conservation Alliance- TFCA	Grant	1,500,000
Foundation	MCA-I, Green Prosperity Project	Grant	15,000,000
GEF Agency	UNEP	In-kinds	682,000

National Government	Min of Forestry - National REDD and National Forest Rehabilitation Programs	Cash and in-kinds	1,900,000
CSO & Foundation	Jambi Province REDD pilots (2x)	Cash and in-kinds	827,052
<b>Total Co-financing</b>			<b>37,777,052</b>

#### D. INDICATIVE TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal area	Country Name/Global	Grant amount (\$) (a)	Agency Fee (\$) (b)	Total (\$) (a + b)
UNEP	GEF TF	Biodiversity	Indonesia	6,283,197	596,904	6,880,101
UNEP	GEF TF	Climate Change	Indonesia	1,340,000	127,300	1,467,300
UNEP	GEF TF	SFM/REDD+	Indonesia	1,808,566	171,814	1,980,380
<b>Total Grant Resources</b>				<b>9,431,763</b>	<b>896,018</b>	<b>10,327,781</b>

#### E. PROJECT PREPARATION GRANT (PPG)

	Amount Requested (\$)	Agency Fee for PPG (\$)
• (up to) \$200k for projects up to and including \$10 million	190,000	18,050

#### PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF

GEF Agency	Type of Trust Fund	Focal area	Country Name/Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
UNEP	GEF TF	Biodiversity	Indonesia	110,000	10,450	120,450
UNEP	GEF TF	Climate Change	Indonesia	30,000	2,850	32,850
UNEP	GEF TF	SFM/REDD+	Indonesia	50,000	4,750	54,750
<b>Total PPG Amount</b>				<b>190,000</b>	<b>18,050</b>	<b>208,050</b>

## PART II: PROJECT JUSTIFICATION

### A. PROJECT OVERVIEW

#### A.1. Project Description

##### *(1) Global Environmental Problems, Root Causes and Barriers:*

Indonesia is as having 7.5% of the Global Benefits Index for Biodiversity (CI), most of this diversity resides in Indonesia's forests which cover nearly 50% of the country and are the third largest in the world. Globally, land use change such as deforestation, forest degradation, and peatland conversion contributes 15 - 18% of greenhouse gas (GHG) emissions. Indonesia contributes 35% of this amount - more than any other country, and has a vital role to play in achieving global targets for climate change mitigation. Sumatra's ecosystems have among the world's greatest diversity in forest mammals, notably flagship species: Sumatran tiger, Sumatran rhinoceros, Orangutan, and Asian elephant. Sumatra is also important for climate change: its seven million hectares of peat soil may store more than 19 gigatons of carbon, while the island's remaining natural forest may store an additional two gigatons.

The Integrated Ecosystem Area RIMBA – the RIMBA corridor - covers 3,850,000 hectares over 19 districts in parts of Riau, Jambi, and West Sumatra provinces (see map in Annex 1). RIMBA is particularly critical for the global environment, notably: it covers three out of the six priority Tiger Conservation Land-scapes; it encompasses remaining high-biodiversity montane, lowland, and peat swamp forest, and; it includes three important watershed areas - Indragiri, Kampar, and Batanghari rivers – that serve one million hectares. There are four species of Gibbon in Sumatra of which two - the Agile Gibbon (*Hylobates agilis unguo* & *H. agilis agilis*) and the Siamang (*Symphalangus syndactylus*) live in RIMBA corridor. A small population of Orangutan (*Pongo abelii*) has been introduced in the

Bukit Tigapuluh National Park (NP). Many species of wildlife including Gibbon are endangered due to habitat loss but also illegal trade. Increasing the protection of key wildlife throughout Sumatra by reducing trade can only be achieved when this occurs concurrently with an increase in the protection of the remaining forests; calling for a drastic increase in active protection of forest areas, be it areas that are legally gazetted as conservation areas or forest areas that are outside the protected area network. RIMBA corridor is also providing essential linkages across fragmented habitats and a total of 11 formally gazetted protected areas (i.e. four NPs, six Strict Nature Reserves and one Wildlife Sanctuary) with a total area of 1,295,153 ha. It includes the World Heritage Site of Kerinci Seblat NP. In addition to their global and national significance for biodiversity conservation, this includes the last lands of the orang rimba – a Sumatra specific indigenous people known for their unique culture and living in areas near Bukit Tigapuluh NP.

But Sumatra has lost almost 50 percent of its forest in the last quarter century. Riau province e.g. shows the fastest rate of deforestation in Indonesia, where some 4.2m hectares (65%) of its tropical forests and peat swamps have been cleared for plantations in the past 25 years. The RIMBA Corridor has also suffered greatly. For example, natural forest cover (including both primary and secondary) fell from 2.68 million hectares in 2007 to 2.53 million in 2009, annual losses of 2.86%. This is accompanied by similar losses in biodiversity, ecosystem services and carbon storage and has led to heavy costs for people and for nature. Moreover, fragmentation at key spots is leading to breaking ecosystem and habitat connectivity.

The private sector plays a significant role in managing land in the RIMBA landscape, especially large scale oil palm, rubber and tree crop plantations, and logging of natural forests and peatlands. In the baseline, the opportunity for private sector to play a more positive role in forest management is undermined by inadequate governance and lack of attention to life cycle management. Land reclamation, particularly of peat swamps releases an estimated 1.2 gigatons CO<sub>2</sub> emissions per year total for Sumatra from loss of natural forest, peat decomposition and burning. In the baseline, the encroachment of forest resources and degradation of peatlands, through drainage and land-clearing, is a significant source of environmental degradation. This is mostly driven by poverty and low levels of environmental awareness and facilitated by inadequate law enforcement capacity and poorly designed and constructed government programmes. *Hence, a series of threats has led to the destruction, degradation and fragmentation of much of RIMBA forest ecosystems, including peat. In the baseline, this will continue to have a negative impact on biodiversity and carbon storage.*

In summary the main threats to forests, biodiversity and carbon storage in RIMBA are:

- Conversion of natural forest to oil palm and industrial tree crop plantations by large-scale, commercial land-holders;
- Conversion of natural forest to small scale oil palm, by families and communities;
- The draining and deliberate burning of peat land in order to facilitate conversion to palm oil and other tree crop plantations;
- Forest degradation due to community based agro-forestry, often based on cinnamon or rubber;

#### *(2) Baseline Scenario and Associated Baseline Projects:*

Remaining forest areas in Sumatra and RIMBA are almost all globally important in terms of either biodiversity, carbon storage or both. On Sumatra, 83% of remaining forests overlap either with very carbon rich peat soils, or are part of “critically endangered” or “endangered” eco-floristic sectors, and/or are used by at least one of Sumatra’s four flagship fauna species. The RIMBA corridor has suffered greatly from degradation, but still holds considerable global values that are under threat. In the baseline, without conservation and restoration, the rapid degradation will continue and these global environmental values will be lost. Finally, the number of households with electricity supply is in the region 50-60%, and most electricity is generated from fossil fuels, reducing opportunity for communities in e.g. RIMBA to establish local processing, economic development and enhanced welfare. Poverty and lack of economic opportunity is a known factor in forest degradation. This in the end affects both their use as well as willingness to protect valuable forest resources in their neighborhood.

Forests in RIMBA provide many services to communities and local economies, and represent a significant actual and potential economic value; however baseline practices do not maximize these. The project would assist local government bridging the gap between the (known) values as well as their development restrictions of forests (peatlands) and their ES, the need to establish a more sustainable and socially-inclusive development path - low in carbon and investing in forests, water and biodiversity, and incorporating these in routine government mechanisms such as spatial planning and district economic development plans.

*An example* is found in the three demo investment areas indicated for the project Comp 2, including the development of PES mechanisms to provide economic incentives for forest protection and rehabilitation. Preliminary assessments

on forest ecosystem services in the Investment I (Dhamasraya/Kuantan Singgi/Tebo - see **Annex 1**), just 87,000 ha of lowland forests, indicate a total annual value of \$ 177 million. Most potential are Rubber, water supply, and tourism. Similar values are found for Investment III which will have a main focus for the development of Payment for Water Services (PWS) and linked conditionally to both the RE investments as well as agreements with communities and local government on forest rehabilitation and protection. Investment II focuses on forested peatlands. In *the Baseline*, these forests are highly significant as HCVF forests, as corridor for wildlife movements as well as water retention. In the baseline the forests upstream are increasingly degraded and losing their valuable water retention and supply functions, as well as biodiversity and carbon values, leading to both soil erosion as well as large reduction in river debits. In the baseline, the forested wildlife corridor of e.g. Investment I - contained within the boundaries of RIMBA corridor, is narrow and susceptible to disturbance or even loss of connectivity, yet no programs target the strengthening of this corridor. Additionally, some former micro-hydro investments have shown problems in Sumatra with an adequate and regular water supply due to forest degradation upstream as well as lack of programs to link forest protection and management (SFM) with these investments. The biggest challenge in the baseline is the very low incentive with local governments and communities neither to invest in forest rehabilitation nor to manage forests with a view of maintaining key wildlife habitat and corridors. In *the Alternative*, its potential providers under a PWS scheme could be the forest stewards/holders of land titles in the forested watershed upstream, whilst the users could be the public water service companies, power companies, as well as the irrigation schemes downstream. GEF support would provide incentives with local governments and forest stewards for forest protection and rehabilitation, as well as an alternative development model through (i) developing and linking PWS schemes with downstream investments in RE such as micro-hydro as well as other major water users like irrigation schemes, (ii) by establishing partnership and strict conditionalities on the adoption of SFM practices including forest protection & reforestation with stewards upstream as well as downstream (peatland, wildlife corridors), inclusive of private companies running larger plantations, and (iii) by assessing the feasibility for other revenue generating mechanisms to support forest protection such as e.g. REDD+ schemes and eco-tourism which is taking off well in Investments I and III. GEF support would be used for a.o. ES valuation, assessments & appraisal studies; partnership building and development of a Business Plan for PWS/PES; review of local government policies; capacity building on integrating the economics of ecosystem services, facilitating agreements between users and provider on forest protection and reforestation; and agreement on actual flows of benefits (e.g. payments or access rights). The target of GEF support would be to (i) place the evolving RE and PWS/PES schemes in the context of strengthening and restoring forested habitat connectivity –specifically in Investments I and III, as well as (ii) to provide monetary and non-monetary incentives to local communities, enhance their social cohesion, as well as welfare levels – this to enable them to support forest objectives..

Many national, provincial and local stakeholders have undertaken an array of initiatives to reverse the loss (forest-based) biodiversity in Riau, Jambi and West Sumatra provinces, and RIMBA corridor specifically. In the baseline only few of these truly target production and protection forests as their prime objective; few establish integrated multi-agency programs; and few which consider landscape connectivity. However, none of the provincial and district government programs in RIMBA (outside PAs) specifically target the ‘greening’ of government policies, mechanisms and investment portfolios with as prime aim the protection, rehabilitation and sustainable development of forest resources - for low carbon development, as well as enhanced biodiversity conservation. Moreover, these government initiatives like spatial planning do not incorporate the economic values of natural capital and their ecosystem services such as provided by forested watersheds or peat swamps. Finally, in the baseline, knowledge of best international practices regarding forests, GE and local economic development are not being brought to bear. **As a result, in the baseline scenario, despite the ambitious objectives of the Sumatra Vision 2020 (see below), the forested ecosystem of RIMBA corridor will become increasingly fragmented, biodiversity will be lost, and key ecosystem services – notably carbon storage, will decrease.**

A key landmark was in late 2008 when all ten Sumatran provincial governors, supported by five national Ministries of Home Affairs (MoHA), Forestry (MoF), Coordination of Economic Affairs, Environment (MoE) and Public Works (MPW) as well as the National Economic Planning and Development Board (BAPPENAS), announced their joint commitment to save and conserve the ecosystem of Sumatra Island in order to balance ecological functions and economic development for the people of Sumatra. The concerned governmental agencies signed up to “Roadmap toward Rescuing the Ecosystem of Sumatra – Vision of Sumatra for 2020” (referred to as “Sumatra Vision 2020”). The Vision’s strategies include: (1) initiating ecosystem-based land-use planning; (2) restoring critical areas to protect ecosystem services, and; (3) protecting areas with high conservation value to protect ecosystem services, biodiversity, and the global climate. The Vision has subsequently been given additional support through Presidential Decree on Spatial Planning on Sumatra Island (Decree no 13/2012).

Implementation of Sumatra Vision 2020. Sumatra Vision 2020 is to be financed and implemented through five distinct programs, namely: (i) Restoration of damaged natural forests; (ii) Forest carbon projects; (iii) Financial incentives for forest protection through Payment for watershed services (PWS) schemes; and (iv) Best management practices for the agricultural & (v) forestry sectors.

Sumatra Vision 2020 identifies the RIMBA corridor as priority for demonstrating the above strategies and programs and which is located in central Sumatra and is of fundamental importance to the island's biodiversity, culture, and economy. It is the home to approximately 15 million people, providing for their livelihoods, as well as a resource base for many of Indonesia's exports.

**Key Baseline Projects & Investments:** There is no single large, inclusive or fully funded program which covers the main elements of the RIMBA program, and which could act as baseline project. However, there are many relevant programmes and projects in the RIMBA area with a significant combined investment value. *In the baseline, although these are broadly connected under the Sumatra Vision 2020, few government 'biodiversity' investments specifically target forests outside the PA system, incorporate the economics of ecosystem services, follow a landscape-wide approach, or target specifically the combined GEBs of this project: biodiversity, carbon and water.* Three key government sectors are of concern to the RIMBA project objective: spatial planning and local governance, forest conservation and rehabilitation (for biodiversity, carbon and water supply), and energy and local development. Based on this the following key baseline programs have been selected, summarized and investment levels estimated:

**(i) Spatial planning and local governance.** Indonesia's Spatial Planning Act 26 (2007) requires all provinces and districts to conduct land-use and spatial planning, under the supervision of MPW and BAPPENAS. Spatial planning is to take ecological considerations into account through strategic environmental assessment (under 32-2009). MPW also specifically provides technical support to implement the The Sumatra Island Spatial Plan (Presidential Decree no. 13/1012).

The MPWs national budget for spatial planning over the period 2010-2014 is estimated to be approximately US\$ 24 million, with about US\$ 500,000 expected to contribute to the RIMBA landscape, especially on spatial planning at provincial and districts levels, as well as implementation of the Presidential decree and demarcation of the national strategic area in and around Kerinci Seblat NP. Additional investments in the range of US\$ 1.8 million are coming from 3 provincial and 19 district governments in RIMBA to conduct spatial planning in their administration. MoF, which historically has managed the largest part of the national forests, will continue conducting macro-level planning of the national forest estate and incorporate this into provincial spatial plans, including through better demarcation and socialization of forest functions. This national five year program has a budget of about US\$ 35.1 million. In the baseline a big challenge is to reach consensus and use similar planning principles to incorporate these MoF forest maps, forest titles and statistics into the spatial planning process coordinated by MPW.

*As indicated in the baseline analysis and justification for GEF support, the spatial planning process and the subsequent District development plans do not incorporate the economic values of natural capital, are weak on incorporating the need for landscape-wide connectivity for biodiversity, carbon ('think peatdomes) and water resources protection, as well as would greatly benefit from incorporating scenario analysis for green economic development.* **GEF incremental support** through the RIMBA project would be used to improve on the national spatial planning and its related local governance program through (i) building a multi-agency partnership and agreed vision towards green economy in RIMBA, (ii) conducting and agreeing on scenario analysis for green economic development of land, forest and water resources, (iii) develop or re-align 9 District Spatial- and 9 Economic Development Plans to respect land and ecosystem services values as well as agreed green economy targets, and (iv) significantly raising the investment profile for enhanced forest connectivity, carbon sequestration and biodiversity conservation in RIMBA corridor.

**(ii) Forest conservation and rehabilitation.** The "Indonesia National REDD + Strategy" sets Sumatra in general and Jambi Province specifically as pilot area for the development of REDD strategies and activities. In *the baseline*, this may lead to several initiatives (i) national support through the Indonesia Forest Carbon Alliance, analysis on methodologies and policies for REDD preparation (US\$0.9 million), REDD+ demonstration activities (over US\$100 million), national MRV (over US\$ 5 million), UN-REDD institutional support (US\$1.6 million), FORCLIME and UN-REDD support for benefit distribution systems (over US\$27.2 million); (ii) US\$ one billion was pledged on reducing deforestation of particularly primary forest under the LoI between Norway and Indonesia (26 May 2010); (iii) Recently, the US\$ 30 million Sumatra Forest Carbon Partnership was announced jointly by Indonesia and Australia – activities will be in Jambi Province. Additionally, three REDD+ pilot projects are listed for Riau province

in Kampar Peninsula and Tesso Nilo NP, and two in Jambi (Berbak Carbon Value Initiative and the Sumatra Forest Carbon Partnership). The Ministry of Forestry has signifying programs (in Kalimantan and Sulawesi) on the protection of forests and ecosystem services, including increasingly those targeting carbon through REDD+ mechanisms, these with an estimated national budget of US\$ 54.6 million. Other closely related national baseline programs of MoF include: (i) improving production through management of natural forests (national budget about US\$ 32 million); (ii) forest rehabilitation in priority critical watersheds (US\$ 967 million) - three priority watersheds are in RIMBA.

*In the baseline analysis it is made clear that, (i) government-sponsored forest rehabilitation programs are not linked with potential PES schemes such as REDD+ and PWS – and as such miss the financial incentive with local governments and stewards to do so; (ii) REDD+ and related forest conservation and rehabilitation programs are not based on principles of maintaining landscape and ecological connectivity (e.g. wildlife, role of water in peatdomes); (iii) very few programs target the rehabilitation of forested peatlands – which leads to continuing and significant Carbon emissions; (iv) REDD+ and other forest-based programs are not being used to the benefit of transformation to a Green Economy; (v) REDD+ schemes in Indonesia are less straightforward on how actual reductions in deforestation are being made operational; (vi) there is need to further test and upscale collaboration of government agencies with local stewards, such as communities as well as the private sector to protect and rehabilitate forests, to create synergies with local economic development and job creation, as well as establish different models of financial incentives to protect forests in (incl. REDD+, PWS. As a result opportunities in coordinated biodiversity conservation, forest rehabilitation and carbon sequestration are missed or seriously weakened in RIMBA. **GEF incremental support** will be used to (i) enable REDD+ readiness & pilots, as well as forest rehabilitation programs to be embedded in ‘routine’ government planning and investment mechanisms to benefit local governments and private sector in their transitioning to a green economy, (ii) to optimize REDD+ and forest & peatland rehabilitation site selection to strengthen forested landscape connectivity for biodiversity conservation and carbon sequestration (spec. peat); (iii) to provide strong monetary- and non-monetary incentives for investing in forest rehabilitation- and conservation agreements by establishing RE, PWS- and REDD+ schemes – all of them conditionally linked to activities to achieve forest biodiversity and carbon conservation objectives (RE investments used provide a range of monetary and non-monetary benefits to communities and are largely through the GPP program, involve e.g. ); (iv) supporting REDD+ readiness, REDD schemes and local MRV system(s) in two districts in Jambi province – preferably one in a peat swamp forest. The incentives from RE could include: (i) cheaper electricity leading to better lighting and other uses such as for cooking, tv etc; (ii) savings on electricity costs; (ii) creation of new sources of income by using the extra power (through village MHP cooperatives), (iii) better access to information and entertainment; (iv) significantly reduced incidence and costs of illness – both children schooldays as well as adult labor days; (v) better prospects for successful study & education; (vi) enhanced social & development basis. This creates the needed basis for communities to support forest conservation objectives.*

**(iii) Energy and local development.** The Millennium Challenge Account – Indonesia Programme (MCA-I) is implementing the Green Prosperity Project (GPP, budget 230million). The GPP aims to alleviate poverty, increase productivity, reduce reliance on fossil fuels, expand RE, and reduce land-based greenhouse gas emissions. It is to achieve these by improving participatory planning, improving land use practices, promoting green growth, and supporting pilot investments in the management of natural resources. A key strategy is to develop renewable energies adapted to the local context. Initially, the GPP will pilot two sets of activities in Jambi province: (i) in Kerinci and Merangin Districts it is to support the introduction of micro-hydropower (t.b. confirmed, based on suitability assessments). Here, it will also support upland catchment management to protect water resources in the upland montane forests; and, (ii) in Tanjung Jabung Timur and Muaro Jambi districts, it will support producing energy from the residues after palm oil processing (t.b. confirmed, based on suitability assessments). GPP will work with communities living in the peat forests and so lessen pressure on remaining peat forests. In the baseline, this program has several similar objectives with the RIMBA project yet is mostly focused on local economic development and sustainable development, and less looking into eco-system-based landscape connectivity for protecting biodiversity or sectoral transformation through a green economy approach (incl. of governmental and private mechanisms). MCA-I has requested the GEF-funded RIMBA project – and as such UNEP, for collaboration; to this end a MOU is being developed:

- establishing joint programs with RIMBA project in GPP pilot districts where RIMBA would take the lead on valuation of natural capital, economic development scenario analysis, mainstreaming GE, and strengthening biodiversity aspects, whilst GPP would focus on RE investments and reforestation; and
- exploring additional cooperation in yet to identified districts in RIMBA corridor towards increasing productivity and reducing land-based greenhouse gas emissions by improving participatory planning & land use practices as well as pilot investments in the management of natural resources, peatlands & biodiversity hotspots – specifically to strengthen landscape connectivity for biodiversity conservation, forest protection for carbon and water resources,

and sustainable development. Over the long term, all three RIMBA provinces are candidates for involvement in GPP

In addition to the specified points above **GEF incremental support** would be used, inter alia, for (i) facilitating multi-agency good governance related to landscape-based protection of forests – rehabilitating its biodiversity, carbon and water functions; (ii) capacity building for adoption and implementation of green economy practices in spatial planning and local economic development scenarios; (iii) model design, feasibility assessments and establishment of PES & RE schemes conditionally linked with forest protection and rehabilitation, whilst maximizing benefits to stewards of forests (any RE capital investment to come via GPP); (iv) support to community organization and participatory land-use planning; analysis and reaching agreement with local stakeholders on forest rehabilitation and biodiversity conservation targets (with larger investments coming from GPP), as well as (v) the development of landscape-wide monitoring and dissemination systems for enabling strong replication of the project outcomes to other RIMBA and GPP districts.

(3) Proposed Alternative Scenario & (4) Incremental Cost Reasoning and Expected Contributions from the Baseline, GEFTF and co-funding:

The Objective of the GEF incremental support is to protect biodiversity and to increase carbon stocks across the RIMBA critical landscape of Sumatra by enhancing forest ecosystem connectivity through green economic development.

*In RIMBA, a green economy is an economy that results in improved human well-being and social equity, whilst significantly reducing deforestation and biodiversity loss, and increasing carbon storage and habitat connectivity.*

The baseline consists of a strong overall vision and high level commitment. In the baseline however, these do not benefit the global environment through coordinated action, largely because these do not adequately target HCVF and peatlands outside the PA system, lack incorporating the economics of forest ecosystem services, are not based on a landscape-wide approach, nor target specifically the combined GEBs of this project: biodiversity, carbon and water.

Working with other partners, the GEF support will catalyze and operationalize a coordinated, coherent approach to a green economy across the RIMBA landscape and beyond. GEF incremental support of both BD, CCM5 and SFM is used to improve and mainstream forest conservation in economic development processes (decoupling), to provide the economic as well as the LULUCF/Carbon case for significantly expanding forest restoration and protection, bringing focus and agreement between districts and multiple players on strengthen the landscape corridor, and demonstration of best forestry practices in tree –crop plantations, including significant impact on peatlands and peatforests. The combined investments and activities would benefit a total area of 103,140 hectares of forests and peatland with a Carbon benefit of 12.14 Metric Tons CO<sub>2</sub> equivalent (see Annex 2). If adding the total of 61,428 ha avoided deforestation as indirect gain by the project through improved spatial planning, forest conservation and governance the Carbon gains would reach 25.17 Metric Tons CO<sub>2</sub> equivalent .

The GEF incremental support will catalyze baseline and mobilize additional funding to ensure policies, plans, programmes and investments in RIMBA are based on the economics of forest ecosystem services, invest in forests outside the PA network, are much better coordinated and contribute to:

- Increasing ecosystem connectivity and habitats for flagship species;
- Maintaining the levels of peat forest and other forest types; and,
- Increasing forest cover and carbon storage on degraded land and abandoned forests; and
- Ensure that the protection of forest and their ecosystem services contribute to an inclusive and sustainable development for communities in RIMBA. This will include supporting development of renewable energy in RIMBA.

GEF support is focused into three complimentary Components, where Component 1 creates the institutional foundation, human capacity, agreement on alternative development scenarios for RIMBA, as well as the programmatic sustainability of a Green Economy applied to forest-based sectors and land resources; where Component 2 invests in and tests three different GE development scenarios in RIMBA landscape - all targeting forest protection, land rehabilitation and biodiversity conservation through a GE approach; and where Component 3 establishes the evidence base for measuring project impacts, the degree of adoption and upscaling of GE approaches by private and public sectors, as well as dissemination and uptake of best practices for national policy consideration.

The first **Component 1 - 'Establishing institutional sustainability and replication for RIMBA Green Economy'**, will create the human and governance foundation for introducing the green economy approach to land, forest and water related sectors, to conduct Natural Capital Accounting and agree on optimal green development scenarios for RIMBA, as well as importantly institutionalize and replicate the Green Economy approach through policy reforms, investments and programmes. The latter involves both existing as well as new-to-introduce programs such as REDD+ and PWS - strictly linked to forests management. It will also ensure that the lessons learnt and the practices demonstrated in Comp 2 are institutionalized, thereby paving the way for dissemination and replication more broadly across the 19 districts of RIMBA.

As GDP in the three RIMBA provinces grows there is a need to bring more balance in investment decisions and portfolios of both government as well as private sectors to reduce deforestation, to sustain critical and forest-based resources like water, to increase carbon storage as well as to improve human wellbeing and social equity. In the baseline, spatial and economic development plans are lacking the integration of the monetary values but importantly also the restrictions in available natural capital resources such as forest, land and water, and their ecological inter-linkages. In the baseline local governments have prepared land-use maps for RIMBA, however they are not consistent and do not focus on the GEB, nor do consider connectivity issues (e.g. to maintain the integrity of peatdomes or wildlife corridors).

The *first Component Outcome 1.1* will therefore be to introduce a green economy approach focused on investing in forest, its water resources and landscape-based connectivity for conserving biodiversity and carbon in RIMBA corridor. This will be achieved through a range of activities such as: i) conducting social marketing and training to create the willingness and capacity to adopt a green economy approach including through modifications to existing spatial and economic development planning practices; ii) to formally establish the RIMBA Facilitating Forum to enable engagement and conflict resolution with multiple government agencies, private sector and CSO, provide program oversight, as well as facilitating replication and sustaining the GE best practices to the wider RIMBA landscape; iii) conduct Natural Capital Accounting (NCA) and agree on alternative GE-based development scenarios for RIMBA which are a critical basis for the investments in the three demo areas; and iv) conduct roundtables and reach agreement on applying SPC principles with at least two forest- and peatland sectors (from oil palm, rubber, timber, etc) to develop a voluntary agreement covering production activities across RIMBA. This may include working with the financial institutions investing in these sectors. GEF increment will ensure the voluntary agreement(s) covers biodiversity and carbon.

NCA seeks to assess the values of ecosystems services and biodiversity, their interlinkages as well as making them available to policy makers in the hopes that decisions on the management and use of natural ecosystems and the associated biodiversity therein will be more holistic and result in a more sustained management of these. The subsequent 'scenario analysis' is a starting point to defining and planning for a green economy based on the results of NCA. GEF support will enable government agencies to develop and apply a GIS-based system for valuation and analysis of natural capital, its allocations and the various development options towards a resource efficient economic model for the RIMBA landscape - specifically the three demo investment areas. It will apply well tested systems such as TEEB, T21 and INVEST. Subsequently stakeholders of the nine pilot districts will – through workshops and high level decision making agree on the most optimum GE development scenario(s). The results of this output are a very important basis to re-aligning governments' as well as corporate sector decisions such as e.g. through modifications in the district spatial- as well as the district economic development plans, and their 'translation' into the detailed field programs of the three demo sites of Comp 2. The total planning area covered will be approximately 1 million hectares and will cover parts of nine (9) districts in Jambi, West Sumatra and Riau provinces. Unlike previous analysis, database and mapping outputs will clearly identify the existing and potential ecosystem services provided by each land plot and potential economic development and conservation scenarios.

Under the *second Component Outcome 1.2* the project will institutionalize and replicate the GE approach through policy reforms, investments and programs, as well as support sustainable financing systems such as PES (REDD+, PWS and the reactivated Sumatra Trust Fund). GEF incremental support will enable reducing deforestation through decoupling local economic development with loss of more forests, to rehabilitate forests, and to target degraded (forest) land for economic development, as well as strengthening RIMBA habitat connectivity through mainstreaming reforestation and forest protection in government routine programs. This will be achieved through (i) drafting and agreeing on modifications to government land use, forestry and financial policies and budgets – based on NCA, such as the methods used for spatial planning and district economic development plans; (ii) guide and emphasize investments in forests in routine local government budgets, towards strengthening RIMBA connectivity; (iii) establishing local government degree(s) including supportive fiscal incentives to redirect expansion of plantations

from forest-clearing towards investing in rehabilitating or using degraded land, as well as land swaps; (iv) Putting two forest management & PWS schemes in place including formalized partnership, benefit distribution systems and the conditionality to SFM practices, (v) supporting REDD+ readiness, MRV system & pilots schemes in two districts in Jambi province – maximizing community benefits, the operationalization of forest protection and rehabilitation, and strengthening landscape connectivity through smart site selection; (vi) reactivating the Sumatra Sustainability Fund for BD conservation; and (vii) based on the economic scenario analysis conducted, as well as the lessons and systems established through the project, formulate a detailed RIMBA-wide agreement on boundary modifications, expanded partnership and financial modalities for enhanced forest habitat connectivity, forest protection and rehabilitation in entire RIMBA corridor.

The **second Component, ‘Large-scale demonstration of the RIMBA green economy for forests – water, carbon and biodiversity’**, will demonstrate the viability and replicability of investing in RIMBA forests and its natural capital for nine districts through a Green Economy approach – by targeting three distinct Green Economy development scenarios through site investments. Each investment will bring about wide-scale changes in land-use focused on forests and their supportive economic role towards transitioning to a GE. This component will also prepare the formal re-alignment of district economic development- as well as spatial plans to respect land and ecosystem service values as well as agreed green economy targets; this as a basis and replication of the three demo investment (see hereafter).

In the baseline, the preparation of district spatial plans is mandatory under Presidential Decree (13/2012) and under the Sumatra Island Spatial Plan. In the baseline, these spatial plans do not adequately account for landscape-based forest conservation and rehabilitation. Both the District economic development- as well as spatial plans is not based on valuation of ecosystems services nor do they consider alternative development options which would allow for optimizing economic development whilst maintaining environmental resilience and global environmental values. Moreover, the baseline plans of neighboring districts are not aligned with each other. Although this Output is mostly covered by co-financing, GEF support will develop or re-align 9 District Spatial- and 9 Economic Development Plans to respect land and ecosystem services values as well as agreed green economy targets – based on the capacity built, analysis done and agreed scenario for green economic development of land, forest and water resources under outcome 1.1. ‘Greening’ these core government planning processes is an effective and feasible District-level mechanism to build the multi-agency partnership and agreed vision towards a green economy in RIMBA including through the SPC round tables with private sector.

Based on the baseline analysis, three Green Economy development scenarios will be suggested and approximate investment locations identified (see selection criteria and summary baseline in **Annex 1**). All three would apply key GE principles, specifically: decoupling local economic development from deforestation; supporting equitable local development; as well as a multi-sector approach to investing in forests. These three investment clusters, involving parts of 9 of the total of 19 Districts in RIMBA corridor, cover a diverse range of ecological and socio-economic conditions, as well as forest protection and development challenge, each important for the global environment - notably biodiversity and Carbon. The detailed design and feasibility assessment of these investments, exact location and baseline, partnership and technical as well as financial modalities will be developed during the PPG.

**Investment 1: Strengthen forested wildlife corridors through enhanced spatial allocation, innovative forest-based interventions and financial incentives in Dharmasraya/Kuantan Singingi/Tebo**

This corridor area covers 87,000 hectares of lowland forest, plantation, degraded forest and agro-forestry. Working closely with partners such as Riau, Jambi and West Sumatra provincial governments, and WWF and MCA-I, the main goal of the GEF incremental support is to expand and strengthen the corridor for wildlife movements through reaching agreements as well as investing in reforestation, forest protection and improved spatial allocation of production- and protection forest land resources. This will be achieved through: (i) agreeing and implementing targeted action to expand/strengthen forested wildlife habitats; (ii) improving community and local government support for reforestation and forest protection; and (iii) establishing effective collaborative programs with the corporate plantation sector towards BMP practices related to forest and land resources. The expected results include:

- Restoration of 3,290 hectares forests in key HCFV corridor sites;
- 60,000 hectares of forests brought under protection and SFM practices with large-scale land holders – based on biodiversity and landscape connectivity concerns;
- Upland forest management and forest rehabilitation implemented over 25,000 hectares through inter-sectoral financial and benefit mechanisms based on the GE visioning as well as the development scenarios agreed with stakeholder (1.1.3). This may include the establishment of a PWS scheme (see 1.2.3) conditionally linked to reforestation and forest protection agreements and programs, a benefit generation system with upstream forest stewards (providers), as well as support to local green economic development through program integration with the Green Prosperity Project of MCA-I on RE and enhanced forest and land management.

### **Investment 2: Applying BMP/SPC practices to the protection and restoration of critical peatland and forests in Tanjung Jabung Timur and Muaro Jambi**

This area covers 515,000 hectares of peat swamp and peat forests including plantations, heavily degraded sites and abandoned plantations. Working closely with partners such as Jambi provincial government, WWF, Wetlands International, and MCA-I, the main goal of the GEF incremental support is the restoration of valuable peatland and swamp forests - for reducing Carbon emissions and protecting unique biodiversity through re-installing its natural hydrology as well as conducting reforestation. It includes the bufferzone of peat swamp forests along the borders of the Berbak National Park. This will be achieved through: (i) bringing key HC VF in peatlands under conservation through optimized spatial land allocations (based on NCA analysis and revised spatial- and economic development plans, as well as SPC round tables); (ii) establishing effective collaborative programs with the corporate plantation sector towards BMP practices related to maintaining peat forest and peat swamp functions, as well as containing further conversion of key peat swamps through protection & land swaps; (GEF funds will not be applied to young plantations to avoid perverse incentives to companies); (iii) restoring of hydrological functions in reclaimed peatlands, combined with forest rehabilitation; (iv) improving (poor) community support for peatland and forest restoration through economic incentives. The expected results include:

- Restoration of 10,000 hectares of peatland on former small-holder and large scale corporate plantations and other reclaimed land;
- Protection status and SFM management plans for 20,000 hectares of the Berbak NP buffer zone;
- BMP practices agreed and applied to at least 2 plantation firms operating in the intervention area;
- A minimum of 10 village green development plans agreed, conditionally linked to peatland rehabilitation and forest protection, and supported by RE investments and forest-based income schemes such as REDD+ (and MRV), and;
- Income base of 10 villages strengthened through 2.5MW RE schemes installed (all through MCA-I co-funding)

### **Investment 3: Reversing deforestation in critical upland watersheds through transformational change for local economic development along the Kerinci and Merangin District**

The Kerinci and Merangin Districts border area contains large areas of pristine forest that currently protects the watershed, but importantly is key wildlife habitat of species roaming to and from the Kerinci Seblat NP, but is threatened by conversion to agriculture, mostly of small to medium landholders. This impacts valuable protected forests of the NP and HC VF but additionally is to undermine planned investments in hydropower – mostly micro and mini, including investments planned by MCA-I. The total area is 408,000 hectares. Working closely with partners such as Jambi provincial government, local villages, UNDP/UNEP PEI <sup>2</sup> and MCA-I, and using the detailed revised spatial- and economic development plans, as well as GE development scenario (1.1.3), the main goal of the GEF incremental support is to implement new District-based models for decoupling poverty alleviation and local economic development programs with forest degradation, as well as significantly increase community participation in reforestation and forest protection. This will be achieved through: (i) Multi-stakeholder partnership and agreed targets on forest conservation and rehabilitation, including through enhanced spatial land and forest allocation; (ii) stimulating local green development as well as BMP practices applied to allocation and use of forests and land by villages and SME; (iii) establishing strong economic incentives to forest stewards and service providers to protect & rehabilitate forests (this will mainly be achieved through a PWS scheme - see 1.2.3 as well as through strengthened local green economic development linked to RE investments); (iv) development of formal linkages and conditionalities between a PWS scheme (upstream to downstream), the RE investments in micro-hydro (downstream) and forest protection and rehabilitation (up- and downstream). The expected results include:

- A total of 9,350 ha avoided deforestation and SFM practices in the 167,00 ha forested watershed prone to logging, clearing and degradation, by decoupling of agricultural expansion with deforestation and provision of economic incentives. This will maintain minimum water flows, lead to reduced sedimentation and maintain biodiversity;
- Reforestation of 500 hectares of catchment forest. This will lead to reduced sedimentation, improve water flows and maintain biodiversity, costs mostly covered by MCA-I or government;
- A functional PWS scheme established leading to agreed SFM in 25,000 hectares of forests (see 1.2.3) as well as with proven community benefits;
- Income base of villages strengthened through installation of 2.5 MW of hydropower that supports green village development as well as reduces pressure on forests through conditional and programmatic linkages with PWS and sustainable forest management in the watershed (this will be largely covered through MCA-I co-financing, and will be in the form of a series of micro and mini-hydropower investments);

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<sup>2</sup> PEI – Poverty and Environment Initiative (UNDP & UNEP)

Subsequently the **third Component, ‘Landscape-wide monitoring and evaluation of GE practices in RIMBA’**, will ensure that the GE tools developed and best practices demonstrated in this Project are disseminated more broadly in the Districts of the RIMBA corridor as well as with specific national government entities in charge with transformative change of sectors towards green economic development, and national policy setting. As basis for this the first output will establish a comprehensive project impact monitoring system that covers the entire project intervention landscape, as well as measure uptake of GE practices by the government and corporate sector. There is much monitoring of both land and policy in the baseline, but it does not measure achievements of GE objectives and is mostly project based. It does not provide sufficient quality and quantity of information on which to base decisions and adaptive management in the RIMBA corridor. Working closely with partners such as the MPW, MOHA, WWF, MCA-I, UNEP Green Economy program, and others, GEF will support establishment of a data collection and reporting system (this database will be developed as integral part of the GIS system for NCA (1.1.3).

The second output ‘evaluation and national dissemination of best practices of Green Economy for forests’ will be working with BAPPENAS, Min of Finance, presidential Reform Taskforce - UKP4 and other key policy setting agencies, on the dissemination and national update of best practices generated by the project. UNEP’s work with e.g. the Presidential reform taskforce (UPK4) will contribute to that process, as well as having BAPPENAS on the RIMBA task force. In the baseline there is no monitoring or enforcement of Land Resource Decrees such as spatial plans, land titles, and forest and plantation concessions. With catalytic support from the project, the MoPW and/or MoE will establish a monitoring authority under output 3, as deemed appropriate for the government system. This Authority will initially be responsible for monitoring land allocation and land use in the 9 pilot districts but be mandated to expand its operation to all 19 districts. It will ensure that land use is in line with approved spatial plans, and agreed biodiversity conservation and green economy goals. The Authority will report through the Facilitating Forum (Outcome 1.1).

*(5) Global Environmental Benefits:*

The anticipated global environmental benefits stemming from this project are, most notably, significant reduction in carbon emissions from LULUCF sources in the RIMBA landscape in central Sumatra and the protection and sustainable management of some of the world’s most biodiverse tropical forests, including peat swamp forests, lowland and highland dipterocarp forests, as well as globally threatened species and endemic biodiversity such as the Sumatran Tiger, Sumatran Elephant and Sumatran Gibbon species. The project GEF increment through BD, CCM5 and SFM funding would result in the following area gains related to forests and peatland:

<i>Project investments</i>	<i>Direct investments &amp; impacts (ha):</i>					<i>Indirect impacts (ha):</i>
	Investment Area I	Investment Area II	Investment Area III	Total	SFM through PWS in Inv I & III	Avoided deforestation in RIMBA Corridor
Forest Protection & SFM	60,000		9,350	<b>69,350</b>	50,000	61,428
Reforestation	3,290		500	<b>3,790</b>		
Peatland- & forest protection		20,000		<b>20,000</b>		
Peatland- & forest rehabilitation		10,000		<b>10,000</b>		
<b>Total</b>	<b>60,290</b>	<b>30,000</b>	<b>9,850</b>	<b>103,140</b>	<b>50,000</b>	
					<b>153,140</b>	<b>61,428</b>

Additionally, BMP/SPC principles adopted by two land & forest-based sectors would positively affect their operations over at least 30,000 hectares of plantations – many of which are situated in a ‘mosaic landscape’ of forests, wildlife corridors and peat swamps. By working with partners on combined programs of enhanced land allocation (green spatial planning) investing in forest protection & rehabilitation as well as local economic development, the lives of local indigenous communities such as the ‘orang rimba’ of Bukit Tigapuluh NP will stabilize, at the least, through securing the provisioning of NTFP to them. Direct project investments would generate an estimated carbon benefit of 12.14 million Mtons of CO2 GHG emissions will be avoided and/or sequestered in the targeted 103,140 hectares of forests and peatlands. This rises to an estimated 25.17 million tons of CO2 GHG emissions avoided and/or sequestered in 61.53 ha forests, if including the indirect benefits by the project across the entire RIMBA landscape (3.8 million hectares) through SFM and protection. Also, at least 5 MW of renewable energy (e.g. hydropower, biomass) capacity is to be installed, and would contribute to reduced fossil fuel use and local green economy development (492,093 Mtons of CO2 e.g. emissions avoided). See **Annex 2** for details.

*(6) Innovativeness, sustainability and potential for scaling up:*

The project is **innovative** in its nature of being one of the first field-based programs in Indonesia introducing green economy, low carbon growth as well as SPC principles applied to the management of land, water and forest resources. The project is innovative in moving away from single agency and single sector investments to enhance landscape connectivity through brokering a broad partnership and facilitating local governments, villages and private sectors valuing, investing in and protecting their ‘natural capital’ - mainly forests, peatlands and water resources. The project will assist the government on transformational change in its effort to adopt a green economy through strengthening the policies and regulations for landscape-based and improved governance of forest, land and water resources. Project innovation is brought by establishing a conditionality and link between the RE investments, and the need for SFM investments in the forested watersheds or peatlands, as well as development of PWS schemes to link users of water services (e.g. micro-hydro and potable water supply) with those of the forest stewards upstream. Another innovative part of the project will be the science-based policy support on integrating a green economy approach in Districts Economic Development (RP-JMD) and spatial plans, and translate these to on-the-ground action and investments in pilot Districts, where local economic development and transformation of production sectors come together, with in the end the benefit of improved forest and biodiversity protection, as well as carbon emission reductions.

**Sustainability and Scaling up:** The project has a high likelihood for sustainability given it is (i) strongly demand driven (governments, companies and local communities alike are feeling the impacts of bad forest management to water, land and wildlife resources as well as human welfare); (ii) is founded on several recent government strategies and directives including the “Sumatra Vision 2020” as well as the “Presidential Decree on Spatial Planning on Sumatra Island” (2012) - which sets clear programs and targets, (iii) works through transformational change of key government mechanisms towards adoption of a GE instead of creating new ones; as well as (iv) involving and strengthening the broad partnership at both central and local level which have already been cooperating well since some years.

The GE supported by the project is defined as an economy that is low carbon, resource efficient and socially inclusive. Through this approach, the development path should maintain, enhance and rebuild natural capital as a critical economic asset and source of public benefits, especially for poor people whose livelihoods and security depend on nature. The greening of economies provides a new engine of growth as well as a basis for environmental as well as economic stability – which will both lead to sustainability of the targeted project Outcomes. Component 1.2 of the project is specifically catering for the replication, dissemination and sustainability of outcomes – including the adoption of GE aspects in government procedures and policies as well as the upscaling of the pilot programs through a modified RIMBA corridor and program. The ‘greening’ of spatial plans, the support from the Sumatra Sustainability Fund, the multi-stakeholder RIMBA Facilitating Forum, as well as the understanding and capacity build on GE with a minimum of nine district governments, will enable replication and sustainability of project outcomes. Additionally, by directly supporting implementation of Sumatra Vision 2020 as well as “Presidential Decree on Spatial Planning on Sumatra Island” (2012) – such as e.g. the targeted 40% forest cover for Sumatra, the project will contribute to socio-economic development which is the backbone of sustainability. The project will also demonstrate, in partnership with MCA-I, how the development of renewable energy (hydropower and biomass, based on suitability analysis) can be a driving force for a green local economy, generating carbon benefits, raising disposable incomes of poor communities, supporting forest protection and rehabilitation upstream, and facilitating socio-economic development. Protecting forests with PWS schemes, reforestation or carbon projects allows local residents to monetize their resources without damaging them, as well as important the sustainability of micro-hydro schemes downstream.

## **A.2. Stakeholders**

The project’s institutional framework is based on an extensive consultation process since August 2008 that led to a.o. the Sumatra Vision 2020. This process was supported by all ten provincial governors of Sumatra and the 6 Ministries of Home Affairs (MOHA), Public Works (MPW), Coordination of Economic Affairs, Forestry, Environment and BAPPENAS. MOHA as lead executing agency for this project - specifically its Directorate-General for Regional Development, has strong support from all concerned Ministries, and is well-placed to coordinate and mobilize the support of provincial and district government agencies. At the national level, RIMBA has been established as a Programme under the National Spatial Planning Coordination Board, with MPW running the Secretariat for the Board. RIMBA Task Force was established for coordinating and mobilizing the support of provincial and district government agencies, and which will be formalized through a government degree on the multi-agency RIMBA coordination mechanism.

District governments lie at the heart of RIMBA implementation with focusing its support and partnership to the governments of the 9 Districts in the three demo investment areas. It is expected that similar sectors involved at national level will be engaged. More detail on stakeholder interests and to fine-tune the project design during the PPG.

Many communities in RIMBA will be major project beneficiaries through financial incentives, improved resource access and partnership agreements at the three demo sites, be engaged and sensitized through awareness and education programmes and play a significant role through participatory forest management practices, PWS schemes, and peatland rehabilitation. During PPG no direct interactions would take place with potential communities, this to avoid creating social impacts and expectations which may not be able to be met. However during project start FPIC and extensive communications program will assess, select and prepare those communities willing and able to participate.

The role of civil society is key to the success of the project, and many NGOs and CSO are already active in related activities in the project area. This notably includes WWF, Warsi, IBEKA (on RE), Wetlands International on peatland management, University of Jambi, University of Andalas, University of Riau, all of whom will be involved as strategic partners in project development and implementation. These organizations will both contribute to (e.g. design and implementation) and benefit from the project. GTI partners such as Min of Forestry, Forum Harimau Kita and others are invited to take seat in the RIMBA facilitating Forum, as well as on-the-ground work on strengthening wildlife corridors and forest management. The PPG can identify additional key CSO project partners.

The participation of private sector (e.g. palm oil companies, forestry companies, pulp and paper, and water supply companies, etc) is essential to achieving the project objectives. The private sector has already demonstrated its willingness to be involved and this will be consolidated through targeted meetings with them during the PPG project design. This should lead to many shared activities, such as designing sectoral reform processes, corporate sector sustainability planning & reporting, landscape planning processes (e.g. negotiations for land swaps) and demonstration of best practices that promote ecosystem services, forest and biodiversity conservation and low emissions.

Finally, WWF Indonesia will support MoHA on the management of the project as well as provide technical execution on certain parts of the project. WWF Indonesia has been centrally involved in the development of the Sumatra Vision 2020 and been active in RIMBA supporting community development, landscape planning, protected area management, sustainable forestry, policy development and others.

### **A.3. Risks**

*1. Weak coordination and support among the national ministries, provincial and district government, and private sector agencies (likelihood & severity - L/M)*

Mitigation: Sustainable use of forest and forest resources involves a large range of stakeholders at multi-levels with diverse interests. Lack of coordination and conflict of interest may undermine project progress and impact.

The Presidential decree and the *Sumatra Vision 2020* provide strong, high level coordination tools. Other existing mechanisms include: (i) The Regional Economic Planning and Development Boards (BAPPEDA) and their provincial district affiliates, which have a mandate for coordinating government agencies, and are a committed partner in this process; (ii) The RIMBA Task Force, bringing together six national government agencies and the three concerned provinces; (iii) The Forum Tata Ruang Sumatera (ForTRUST) – a coalition of NGOs active on spatial planning and environmental issues in Sumatra. The project will strengthen existing coordination mechanisms and help formalize a new mechanism - Output 1.1.1 - the RIMBA Facilitating Forum, to be charged, and capacitated, to support coordination and oversight.

*2. Financial incentives from PES systems (including PWS & carbon sequestration) or from Best Management Practices may not be high enough to drive behavioral change in the resource-extracting sectors (L/M)*

Mitigation: An assumption of the project is that PES can provide an adequate financial incentive for good natural resources management. If this proves not to be true, the project logic is undermined. A main role of the three demonstration projects is to identify, design and demonstrate the effectiveness of PES and other incentives. Background studies will identify suitable PES. Moreover, valuation and cost-benefit studies will be conducted and communicated to prove to users and providers that PES and/or Best Management Practices can actually work financially. The conditional link of the project between RE investments, community development, and good forest & watershed management including through PWS mechanisms will be an additional benefit of establishing as well as maintaining PES schemes. Moreover, the parallel and ongoing UNEP/GEF FSC certification project will provide good practical lessons on PWS and the evidence-base for SFM.

*3. Social risks include the potential that this project will receive weak support from local communities and from the business community (on SPC, low carbon and other green economy approaches) (L/M)*

Mitigation: Local community users may be suspicious of innovative approaches or of approaches promoted by national government or international partners. This suspicion may undermine project progress and effectiveness.

In recent years there has been an increasing amount of experience related to participatory forestry and local development approaches in Indonesia. Building on this experience, in the three investment areas, thorough participatory processes will be undertaken to (i) identify issues and potential positive 'green development'

interventions, (ii) empower communities, (iii) jointly develop strategies, and (iv) assure an integrated monitoring and adaptation process. This should minimize suspicion and help develop local commitment. In the long run, by demonstrating how the approaches can bring socio-economic benefits to communities and by documenting and communicating these successes, the project should build local commitment.

#### *4. Conflict of interests preventing changes in forest status, protection and land-swaps (H/M)*

Mitigation: Conflicting demands on natural resources is a major issue and is known to have blocked progress towards sustainable forest management in Sumatra and in other parts of the world. The project is designed to address this head on, through: (i) Facilitating negotiation and conflict resolution; (ii) Developing win-win strategies; (iii) Enabling spatial planning processes; (iv) Ensuring government support and government budget is available to support project approaches; (v) Developing approaches with a clear long-term sustainability aspect; (vi) Improving legislation and monitoring where appropriate.

#### *5. Climate change (CC) risks (M/L)*

Direct CC impacts – during the 6 years of project implementation, climate change cannot be distinguished from ‘normal’ variations in weather. However, the main risks to project implementation from climate change concern exacerbated flooding events in low lying parts of the RIMBA landscape, which could interrupt access and normal operations. However, flooding occurs naturally in this region and is generally short-lived. The project sponsored monitoring and decision support system (3.1.1) should observe any trends with regards to precipitation, forest vegetation zones, changes in animal migration (flagships species only), invasive species and CC, and other ecological changes which would warrant adapted design of land and forest allocations in RIMBA landscape.

### **A.4. Coordination**

This section provides basic information on the most relevant initiatives only, and will be developed during the PPG, to ensure lessons are incorporated and synergies developed. A key project coordination tool will be the Facilitating Forum, to be established through the project. Members of this Forum will be drawn from government officials, civil society, academia and the private sector. Also, at the national level, the five concerned ministries will coordinate with national initiatives relevant to the RIMBA landscape processes.

The **MCA-I - Green Prosperity Project (GPP)** (see detail under Section A1). This is a key program partner. RIMBA has an agreement ‘in principle’ with GPP for coordination and collaboration, with details to be worked out during the PPG. This is expected to involve a MoU between UNEP and MCA-I on shared activities supporting participatory land-use planning, introducing and mainstreaming of green economy practices in the land and forest sectors (e.g. reforestation), investments in RE systems in the RIMBA pilot districts and villages, the development of landscape-wide monitoring systems, as well as the screening and support for development of community-based development proposals. RIMBA will complement the micro-hydro investments of GPP by investing in forest protection and rehabilitation of related watersheds, as well as the establishment of Payment for Water Services schemes, which will provide a strong economic and motivational link between users (of RE electricity and water) with the provider – the stewards of the forests upstream. This will strongly benefit the management and rehabilitation of forests.

**IFAD/GEF Project on Rehabilitation and Sustainable Use of Peatland Forests in Southeast Asia** (started July 2009). This regional project under the ASEAN Secretariat has pilot sites under the IFAD/GEF project in Riau Province, outside the RIMBA landscape. Coordination with this project will also be important to obtain specific guidance on peatland restoration, fire risk reduction, and promoting SPC/sustainable land uses with sectors like oil palm (RSPO).

**The Tropical Forest Conservation Action (TFCA-Sumatra, US State Department) Phase 2** focuses on the RIMBA area in Central Sumatra. The TFCA Oversight Committee has just approved seven consortia for financial support under Phase II – worth US\$2 million including WWF and others in Tesso Nilo NP, Bukit Tigapuluh NP (BTNP) and Kerinci Seblat NP. The focus of TFCA-Sumatra is biodiversity conservation and therefore its actions will complement the biodiversity interests of the current project;

Strong coordination will be established between the RIMBA project and the **GEF/World Bank project “Transforming effectiveness of biodiversity conservation in priority Sumatran landscapes”** as these two projects are complementary. The concept GEF/WB Project aims to strengthen the conservation of Sumatran Tiger through a two tier approach of strengthening management effectiveness of protected areas as well as landscape-based species conservation activities such as anti-poaching and governance agreements on tiger conservation in key landscapes. It would also work on spatial planning and PA sustainable finance mechanisms. Some of the elements are also found in the RIMBA project. The large difference in the key objective and approach of the two initiatives is however that the WB project focuses on tiger, wildlife species conservation and PAs, The WB project would work mainly with the Department for Forest Protection and Nature Conservation of the Ministry of Forestry in doing so. However, the RIMBA project will prioritize and invest in landscape connectivity, sustainable forest management, and land and water resources of importance to human welfare as well as biodiversity hotspots and corridors (not just Tiger), as well as

carbon sequestration. The RIMBA project does that through a broad partnership (e.g. 5 national ministries, 3 provinces, 9 districts and corporate sector), building capacity to apply the green economy approach at field level, as well as establishing the framework for replication and sustainability along the wider RIMBA corridor. *RIMBA does not specifically* target tiger habitat. Although having a different approach and scope of work compared to the WB project, there is much scope for close cooperation between the two initiatives, specifically to reaching agreement with local governments to improve spatial allocation, forest rehabilitation as well as integration of wildlife and connectivity concerns in District economic development plans, GE scenarios etc., as well as collaborate in RIMBA Investment sites I (wildlife corridors) & III (bufferzones Berbak National Park). That's would involve both the WB project team as well as others under the GTI-Indonesia initiative such as Min of Forestry and Forum Harimau Kita. The precise coordination and synergy arrangements will be mutually developed through the PPG stage, and in fact has already started modestly through talks with the WB team Indonesia. A member of the WB project team is suggested to be involved in the RIMBA Facilitating Forum to enable close collaboration.

The WWF Riau Office is currently coordinating activities across the RIMBA landscape, including forest and species conservation, support for local livelihoods through NTFP production and marketing assistance, etc. WWF recently started implementing the **Sustainable Land Use (SULU) project** aiming to balance spatial planning, sustainable biomass production with climate mitigation. This WWF initiative project provides a key part of the baseline and co-financing to the proposed project.

UNEP/DEPI collaborates with the MoF and WWF-Indonesia on the **Central Kalimantan Corridor Initiative/Heart of Borneo (HoB)**. This includes work on scenario analysis for sustainable development and identifying sector strategies for investing in natural capital - applying the innovative T21 method. This has great relevance to the RIMBA project (and will provide co-finance inputs). The work is coordinated by the Presidential reform task force - UPK4, which aim is to make the T21/SD model replicable across Indonesia, as this is part of the Indonesian government's transition towards a green economy.

The UNEP Green Economy team (Geneva) as well as the UNEP/ROAP project **Policy Support to Sustainable Policies and Innovation for Resource Efficiency in Asia** (SWITCH – a \$9 million investment) are working on developing the green economy. This work covers areas such as (i) building awareness specifically on SPC and Green Economy; (ii) Policies and tools at local government level – to mainstream SPC; (iii) capacity building; and (iv) conducting sector specific SPC Round Table(s). These will be linked to the RIMBA program to build the case for investing in natural capital through SPC.

## **B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

### **B.1. National strategies and plans or reports and assessments under relevant conventions**

The project directly addresses many of the goals and objectives in the second Indonesia National Biodiversity Strategy and Action Plan (INBSAP, 2003). For example, under Objective 3, Goal 3:

- Reduction in the deforestation rate of natural forests to zero level in 2020, beginning in 2003 for low-land forests in Java, Sumatra, and Kalimantan;
- Rehabilitation of natural forest at an average annual rate of one million hectares starting in 2004;
- Stopping conversion of natural forests by end of 2003; and,

Moreover, the 4th National Report to the CBD in 2009 emphasized the importance of mainstreaming of CBD requirements into national, sub-national and sector planning. This project responds to that by providing an important demonstration of biodiversity mainstreaming into sub-national and sector planning.

The project is in line with the guidance under Indonesia's National Action Plan addressing Climate Change (2007) on carrying out integrated efforts to tackle climate change. In line with this action plan, this project notably supports the reduction of green house gas emissions from economic activities, while contributing to a broader socio-economic framework including human wellbeing, productivity and the sustainability of natural capital. To do this, the project directly supports the development of small-scale RE. The project also supports the increased sequestration of carbon through improved forestry linked to RE investments. The development of these sectors is a key strategy for climate change and development in Sumatra.

More specifically, in recent years, the Government of Indonesia and local and international stakeholders have launched a series of initiatives to reverse the loss of forest, peat and biodiversity. Increasingly, these initiatives are adopting a 'green economy' approach, whereby conservation and restoration objectives are aligned with both socio-economic objectives and with the sustainable use of forest ecosystems and forest ecosystem services. This project directly contributes to these initiatives by:

- The obligation to undertake Strategic Environmental Assessment of all policies, plans and programmes (enacted in 2008);

- The “Roadmap Action Plan for Saving the Sumatra Ecosystem”, signed by Decree in 2008 by all 10 Sumatran governors and supported by five national Ministers. This Decree establishes the RIMBA corridor as one of 5 pilot areas (see also A1);
- “Presidential Instruction on the Moratorium on the Provision of New Permits and Improvement of Primary Forests and Peatland Governance” (2011). This moratorium supports local, national and international stakeholders to reverse forest, peat and biodiversity loss, including in Sumatra;
- Indonesia’s Spatial Planning Act 26 (2007). This Act requires all provinces and districts to conduct land-use and spatial planning. Further, spatial planning is to take ecological considerations into account through strategic environmental assessment (under 32-2009), as overseen by MoE and MoHA;
- The “Indonesia National REDD+ Strategy” (2012). This strategy targets Sumatra Island in general, and Jambi Province in particular, as a pilot area for the development of REDD strategies and activities;
- The “Presidential Decree on Spatial Planning on Sumatra Island” (2012). This specifically sets the foundation on Sumatra for a green economy, for increased ecosystem connectivity, and for a coordinated land-use that addresses climate change, biodiversity conservation and economic growth. This Decree sets the target of increasing Sumatra’s forest cover to 40%, and the RIMBA corridor as one of five pilot areas.

Finally, at the national level, this Project will deliver significantly against President Susilo Bambang Yudhoyono’s commitment, made at the G-8 Summit in Pittsburgh (Sept 2009), to reduce Indonesia’s GHG emissions by 26% in 2020, or by up to 41% with international assistance, where Indonesia’s transition to a green economy is considered to be the best approach to achieving 7% economic growth.

### **B.2. GEF Focal area and/or fund(s) strategies, eligibility criteria and priorities:**

The project will primarily address **GEF Biodiversity Focal Area Objective 2 Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors**. The RIMBA corridor is a landscape mosaic of natural forest, degraded forest, fragmented forest, plantation, agro-forestry and protected areas. Several key forest ecosystems are found. The global significance of the biodiversity is very high. The Project will develop and demonstrate a series of tools and mechanisms for ensuring that decisions related to land-use and resource-use fully account for biodiversity. This will directly conserve globally significant biodiversity and greatly increase ecosystem connectivity. All tools and mechanisms will subsequently be institutionalized into policies, plans and programmes and into the working practices of private sector and communities.

- **GEF Climate Change Mitigation Objective 5:** *Promote conservation and enhancement of carbon stocks through sustainable management of land use change and forestry.* This will be addressed through improved forest conservation, forest restoration, demonstration of best forestry practices in plantations and changes in the agriculture sectors, including significant impact on peatlands;
- **GEF Climate Change Mitigation Objective 3:** *Promote investments in renewable energy.* The project will facilitate and help catalyze sizeable investments in hydropower and possibly biofuels, thereby displacing considerable use of fossil fuels, and ensuring they are an integral part of developing a sustainable green economy and that they contribute to forest conservation and ecosystem connectivity. Most of the investments though would come from co-funding;
- **GEF Sustainable Forest Management/REDD + Objective 1:** *Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services.* The project will achieve multiple environmental benefits from improved management of all types of forests. Payments for forest ecosystem services and the use of corporate sustainability agreements will be pursued.

For each of the above, the project’s direct impacts will cover 105,000 hectares of land critical for ecosystem connectivity. Indirect and follow-up activities will reduce deforestation with 61,428 hectares across the 3.8 million hectares RIMBA landscape.

Details of the estimated green house gas reductions to be achieved by the project are provided in **Annex 2**.

Additionally the project would contribute to deliver on CBD Aichi Targets (SMART indicators to be developed at PPG):

- **Target 2** - *By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.* This would be measured against its indicator: “Trends in integration of biodiversity and ecosystem service values into sectoral and development policies”, as well as:
- **Target 15** - *By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby*

contributing to climate change mitigation and adaptation and to combating desertification. This would be measured against its indicator: “Status and trends in extent and condition of habitats that provide carbon storage”.

**B.3. The GEF Agency’s comparative advantage for implementing this project:**

UNEP is uniquely placed to support RIMBA, given its experience of introducing green economy in countries. Notably, UNEP’s advanced expertise and ongoing programs in the field of ES valuation, TEEB, SPC, Poverty and Environment, and the Green Economy Initiative are illustrative of its related capacity and expertise. Additionally, UNEP’s neutrality is important to building the required broad national-to-local partnerships as well as developing buy-in to the green economy in Indonesia.

UNEP is one of the global leaders in helping countries with adopting SPC management and has over 33 projects in these fields, supported by e.g. its Bangkok office. The science-to-policy support of the project on integrating a resource efficient and green economy approach in Districts Economic Development and spatial plans, and translating these to action and investments in the investment areas is a field UNEP is well placed to advice on e.g.: enhancing the allocation of land, water and forest resources, based on both the T21 scenario analysis, applying the principles of SPC to production sectors, as well as stimulating investments in natural capital such as reforestation, PWS, REDD+ and similar mechanisms.

UNEP has program capacity supporting countries’ transition towards low carbon growth, RE and options for energy efficiency – e.g. through credit/user finance, analysis and policy support, as well as technology development (29 related projects) – these include various solar, thermal, bio-energy/fuel, as well as micro-hydro programs. It has a special unit supporting countries in REDD+ readiness, forest carbon finance, and a second unit facilitating countries and building capacity in economic options and market transformation towards a green economy, including through the Finance Initiative. UNEP has a global program on BD corridors, and monitoring BD indicators and targets. It has various programs on ecosystem restoration in lake, mountain and forest habitats of relevance to reforestation in RIMBA. It has a portfolio of at least 35 ongoing and completed projects in these fields over the last 8 years, and the staff available includes experienced resource economists, conservation specialists, field ecologists, social sciences and ABS staff, monitoring specialists, public communications staff, law enforcement, and governance & institutional development specialist, many with over 20 years experience.

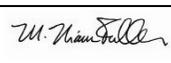
In summary UNEP has a comparative advantage in this mixed-type of projects where combinations of applied-science and testing new approaches, national policy support, strengthening transboundary/ landscape management, habitat rehabilitation, and biodiversity conservation are to be combined with human & institutional capacity building, awareness raising, as well as introducing sturdy landscape-based monitoring of compliance systems.

**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, Assistant Minister - Economy and Sustainable Development	Indonesian Ministry of Environment	January 31, 2013

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Maryam Niamir-Fuller, Director, GEF Coordination Office, UNEP		05 April 2013	Max Zieren, Task Manager – Asia, UNEP/DEPI/GEF, Bangkok	+66-2-288-2101	max.zieren@unep.org