



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

GEF ID:	5764		
Country/Region:	Indonesia		
Project Title:	Sustainable Management of Peatland Ecosystems in Indonesia (2014-2018)		
GEF Agency:	IFAD	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	LD-2; CCM-5; SFM/REDD+-1; SFM/REDD+-2;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$4,766,756
Co-financing:	\$28,700,000	Total Project Cost:	\$33,566,756
PIF Approval:	April 01, 2014	Council Approval/Expected:	May 01, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jean-Marc Sinnassamy	Agency Contact Person:	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	Indonesia is eligible.	
	2. Has the operational focal point endorsed the project?	Yes. There is a letter dated on March 6, 2014 signed by the GEF OFP. The letter mentions the project name, the GEF resources that are requested and the breakdown per focal area, and IFAD as Agency.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • the STAR allocation? 	The proposed grant (LD \$3,000,000; CC: \$1,000,000; SFM: \$1,330,000) is within the STAR resources available for Indonesia (BD: \$7,790,224; CC:	

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

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

FSP/MSP review template: updated January 2013

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		<p>\$1,153,850: \$3,270,000).</p> <p>The time is short and we would like to avoid any unnecessary transaction costs, but we would like to recommend to the Agency to check with the GEF OFP if the STAR resources are well programmed by the end of GEF5. If not, the project amount may be slightly increased.</p> <p>March 26, 2014 Addressed.</p>	
	<ul style="list-style-type: none"> • the focal area allocation? 	Yes.	
	<ul style="list-style-type: none"> • the LDCF under the principle of equitable access 	NA	
	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 	NA	
	<ul style="list-style-type: none"> • the Nagoya Protocol Investment Fund 	NA	
	<ul style="list-style-type: none"> • focal area set-aside? 	<p>The grant includes resources from the SFM/REDD+ incentive program: \$1,214,612 for the project grant, \$115,388 for Agency fees.</p> <p>The SFM/REDD+ program should partially finance the PPG. See the comment cell. 19.</p>	
<p>Strategic Alignment</p>	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives? <i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be</i></p>	<p>Some clarifications are needed: In the table A, the project is proposed under LD2, CCM5, SFM/REDD+1 and 2. In the section B.2, LD3, BD2, CCM5, and the two SFM/REDD+ objectives are described. Please revise and make the information consistent between the table and the text.</p> <p>March 26, 2014</p>	

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	<i>used to track progress toward achieving the Aichi target(s).</i>	Addressed.	
	5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	<p>3/17/2014</p> <ul style="list-style-type: none"> - Explain how the ASEAN Peatland Management program is related to national strategies and plans under the UNCCD and UNFCCC. Please state how the project aligns with the national communications and may contribute to the country's efforts on NAMAs. Please state how the project aligns with the national communications and may contribute to the country's efforts on NAMAs. - Explain the coordination between the ASEAN Peatland Management program with the Regional Haze Action Plan, its national action plan and the ASEAN Agreement on Transboundary Haze Pollution. - There is an ongoing discussion about maps in Indonesia. Please explain how this project will avoid confusion, overlap or underlap with other initiatives. - How does this project use near real time information such as NASA's fire hotspots? - What is the link to the new Indonesia REDD Agency, as well as UN-REDD. <p>March 26, 2014 Addressed.</p>	

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Project Design	6. Is (are) the baseline project(s) , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>3/17/2014</p> <p>We understand the general reasoning and the project is welcome. However, some clarifications are needed:</p> <ul style="list-style-type: none"> - We do not understand what is undertaken by the government in the baseline scenario and what is financed by the cofinancing from the government (\$28.45 million). - The reasoning must be strengthened to better understand the added value of the GEF. In the current proposal, many activities related to capacity building and the establishment of regulations may be considered as business-as-usual. - Land use change from forests to other land uses is identified as the main driver. The expansion of plantations is an important causes of deforestation. One of the consequences is the drainage of peatlands. You have to demonstrate how the project will address these threats and will reverse the trend. - Please identify the main causes behind conversion of peatlands to other landuse. Please identify what these other land-uses consist of. Drainage, fire and over-exploitation are means used for peatland degradation and not the drivers. <p>March, 26, 2014</p> <p>Addressed.</p>	

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	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>3/17/2014</p> <p>Component 1</p> <ul style="list-style-type: none"> - A first component to reinforce a multi-stakeholder partnership approach is welcome. However, some outputs sound as business-as-usual activities and not reflect a strong commitment from the government who is supposed to be the main cofinancier (output 1.2: monitoring and reporting under the national action plan on peatlands, output 1.3: participation to workshops and regional meetings). Please explain what the cofinancing is taking in charge and how these activities are additional. - Please, acknowledge that we do not positively consider that financing travels and participation in regional meetings is a good use of GEF resources in this context. <p>Component 2</p> <ul style="list-style-type: none"> - In the second component, once clarification would have been given on the baseline project and the role of the cofinancing, activities related to mechanisms, tools, and systems to prevent fires in targeted peatlands are welcome. Complementary activities to strengthen capacity at village level and change behavior and practices on the ground are welcome. Based on previous lessons from previous GEF projects, please, confirm the involvement of 	

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		<p>CSO/NGOs in this component, as public and multi-stakeholder engagement seems a condition of success.</p> <ul style="list-style-type: none"> - It is recommended that the component focus on use of the currently available fire prediction tools in the targeted provinces and develop expected outputs based on such usage. The outputs should contain the area or the number of people using such tools or the extent of fire damage reduced due to the use of the tool. - For expected output 2.2, please briefly state what has been done till date to produce hydrological unit maps by partners. - For expected output 2.3, please clarify whether the project would work to prevent further conversion of peatlands into agricultural lands or just prevent use of fire for such conversion. Please clarify whether these land conversions are officially sanctioned or not. <p>Component 3</p> <ul style="list-style-type: none"> - In the third component, in addition to the private sector and the local communities, we would also like to clearly see the role of CSO in capacity building. - Please make expected output 3.1 more concrete. For example X hectares of peatlands in Riau managed through private, government and community management. 	

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		<p>- It is expected that the project would develop a monitoring system (through this component) to track the prevention of peatland degradation and carbon conserved through the project activities. Please add such system as a project component output and align it with other peatland degradation monitoring systems currently available.</p> <p>For expected output 3.2, please identify the possible financing mechanisms available or to be developed for the community-based management of peatlands.</p> <p>- For expected output 3.3, please restructure it to focus on implementation of best management practices. Implementation of the best practices in the target areas must be the primary goal. As currently presented the focus lies on production of training modules and documentation of BMPs.</p> <p>- Please also provide a suite of best management practices, based on the current land use practices in the area and future demands, that the project will promote and implement in the region to reduce emissions of GHG and degradation of peatland.</p> <p>3/24/2014</p> <p>Yes for PIF stage. Addition of output 2.4 is noted.</p>	

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		Please see the activities to be undertaken at PPG stage and issues to be addressed by CEO Endorsement Request (cell 25).	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	3/17/2014 - Contributing to significant reductions in GHG emissions from targeted peatlands through protection, sustainable management, and restoration of key peatland areas is welcome. A minimum of quantified benefits (in tons of CO2 for instance from forest protection and avoided forest degradation) should be roughly quantified (this is required to justify the use of CCM and SFM resources). Some agencies are using the EX-ACT tool from FAO, but you are free to use any tool you seem is appropriate to your context. Please use carbon assessment tools designed for peatlands to estimate the amount of carbon emissions reduced. 3/24/2014 Addressed for PIF stage.	
	9. Is there a clear description of: a) the socio-economic benefits , including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their	More than participation, we would like to see how the CSO, including NGOs, research and training centers, universities, etc will be empowered	

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	engagement explained?	within this project. Please develop. March 26, 2014 Addressed	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	- A short list of risk is included. Please include how IFAD and the GEF will be protected from any reputation risks to work on such sensitive issues. - During the PPG, develop a comprehensive risk assessment.	
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes.	
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	We did not find significant elements about the following elements: - what are the innovation aspects of this project? - what is the project strategy for sustainability? - what is the potential for scaling up the project interventions? March 26, 2014 Addressed	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		

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	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>- Please check the cofinancing in the different tables and make the information coherent. The cofinancing amount in the table A (\$30,250,000) is different with the amounts mentioned in the table B and C (\$28,700,000).</p> <p>March 26, 2014 Addressed.</p>	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	<p>- See cell 6. Please develop what is financed by the cofinancing.</p> <p>- The cofinancing brought up by IFAD is deceiving (\$250,000 in kind): can't IFAD explore ways to provide a stronger cofinancing?</p> <p>- At CEO endorsement, please confirm the cofinancing.</p> <p>March 26, 2014 Point taken. Addressed.</p>	
	18. Is the funding level for project management cost appropriate?	<p>- A GEF grant of \$4,316,756 is programmed for the technical components.</p> <p>In addition, \$450,000 are proposed for management costs, representing 10.42 percent. It is more than usual (between 5 and 10 percent). Please, reduce and justify the project management costs.</p> <p>- At CEO endorsement, the details of the PMC budget are expected.</p>	

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		<p>March 26, 2014 The PMC have been reduced to \$400,000, or 9.26% of the project grant (the percentage is calculated from the project grant and not the GEF total grant; therefore the percentage given of 8.26% is not valid). It is still high. You would have to provide additional explanation and details to justify such amount in the final project document. The GEFSEC will be in measure to ask for PMC reduction if the justification is not convincing. With this condition, the point is cleared.</p>	
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	<p>The PPG amount is in the norm. However, please provide the breakdown between the different focal areas (LD and CC) and the SFM/REDD+ incentive program. This information should be available in a table at the end of the page 2: this table is missing. Please, check the template on the GEF's website and restore the PPG table highlighting the breakdown of resources.</p> <p>March 26, 2014 Addressed.</p>	
	<p>20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>	<p>NA</p>	
<p>Project Monitoring and Evaluation</p>	<p>21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>22. Does the proposal include a budgeted M&E Plan that</p>		

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	monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	No, the PIF cannot be recommended yet. Please address the comments above. March 26, 2014 The PIF is recommended for clearance. In preparation of the final project document please address points summarized in cell 25 during PPG.	
	25. Items to consider at CEO endorsement/approval.	- Please utilize PPG period to develop specific outputs that would fill these needs under the UNFCCC and NAMA. - Develop how this project fits into the ASEAN Peatland Management Strategy and the associated National Action Plan for Indonesia. - Highlight the lessons of the past GEF/IFAD project (SFM Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia, #2751) and adjust the project document to avoid any repetition of actions that were recently financed (e.g. regulation on peatland management prepared since 2006). - Provide a comprehensive risk analysis, including reputation risks. - Adequacy of project interventions in reducing the pressures from agriculture will be revisited during CEO-	

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		<p>endorsement stage.</p> <ul style="list-style-type: none"> - Please, revise the formulation of outputs to be very concrete. - Components 2 and 3, though stated as investment activities are very focused on coordination and building capacity to implement. Please re-focus on implementation and generation of tangible benefits and GEBs directly through the project. - Component 2: Please include activities in expected output 2.3, that directly use outputs 2.1 and 2.2 and involvement of communities. As stated in the previous review, the focus of the component needs to be on the use of the tools. - Please undertake economic feasibility analyses for alternative livelihoods and agricultural practices (generated from the APFP) to be introduced in project areas. Support the financial viability of these approaches using these analyses. Similarly, details on incentive schemes to be used to implement zero-burning agriculture will be expected. Component 3: Please coordinate with the NAMA activity being funded through Japan and also national level MRV activities for peatlands. Please revise or add an output to make explicit linkages with the national level MRV (REDD+). For output 3.1, criteria for micro-credit eligibility, measure of performance, and system for performance monitoring will be expected. - Provide details of the project management costs and justify the difference with the norm (5%). 	

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		<ul style="list-style-type: none"> - Confirm cofinancing. - Provide a M&E program, including for the Global Environment Benefits. - For science based monitoring, include the baseline information in the project document. - Please provide full methodology along with assumptions made in estimation of the carbon benefits. Clear comparison between BAU and project scenario is needed. - Please develop collaboration and coordination with the relevant partners in the country. - Confirm partnerships for implementation with NGO/CSO. - Detailed analysis of linkages with national REDD+ strategy and how the project will contribute towards it will be expected. 	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	March 18, 2014	
Review Date (s)	Additional review (as necessary)	March 26, 2014	
	Additional review (as necessary)		

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