



**Country: Indonesia
Project Document**

- Project Title** : Support to the Establishment of Indonesia REDD+ Infrastructure and Capacity
- Expected Outcome** : 2.3 National institutions and other key stakeholders are coherently and effectively addressing Climate Change (CC) adaptation and mitigation and ozone layer protection
- Expected Output** : 2.3.1. Adequately capacitated institutional mechanism and financing instrument established for REDD+ and corresponding policies and strategies developed and implemented
- Duration** : 6 months
- Implementing Partner** : The Task Force for the Preparation of the Establishment of the REDD+ Agency
- Responsible Parties** : UNDP

Brief Description

On May 26th 2010, the governments of Indonesia and Norway signed a Letter of Intent (LoI), outlining a USD 1 billion programme of "Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation". The programme will be implemented in three phases, with the first phase being the "Preparation" phase. This project is developed to support the government of Indonesia in meeting the expected deliverables of the first phase, through the achievement of the following key results: 1) Special REDD+ Agency, including operation of the preparatory Task Force established; 2) Effective Implementation and M&E framework for National REDD+ Strategy developed; 3) National communications and awareness raising program for REDD+ developed and initiated; 4) Funding Instrument and safeguard mechanism developed; 5) MRV Framework developed; 6) Criteria for selection of province for REDD+ pilot prepared; 7) Plan for suspension of forest conversion concessions developed; and 8) Quick and efficient project delivery with solid fiduciary management.

The project will be implemented by The Indonesia REDD+ Task Force, to consolidate and coordinate all programs and initiatives related to REDD+. This Project Document will replace the existing Project Initiation Plan that has been initiated on 20 October 2010 to support the initial preparatory activities. Total resources indicated in this project document include resources that have previously been allocated in the Project Initiation Plan amounting up to USD 6,000,000.

Programme Period : 2010 - 2011 Key result area (strategic plan) : 4.2. Catalysing environmental finance Atlas Award ID : 00060694 Start date : 25 November 2010 End date : 20 May 2011 PAC Meeting Date : 19.11.2010 Management arrangement : National Implementation	Total resources required: 31,585,952.68 USD Other: o Norway: 30,711,482.68 USD o Government: -- o UNDP: 874,470.00 USD
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1 Dec 2010
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Agreed by UNDP:
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Date: 26 NOV 2010

Acronyms

BAPPENAS	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Agency)
CSOs	Civil Society Organizations
DKN	<i>Dewan Kehutanan Nasional</i> (National Council on Forestry)
DNPI	<i>Dewan Nasional Perubahan Iklim</i> (National Council on Climate Change)
GHG	Green House Gasses
GoI	Government of Indonesia
GoN	Government of Norway
LoI	Letter of Intent
MDG	Millennium Development Goal
NGO	Non-governmental organization
NPD	National Project Director
NPM	National Project Manager
PMIG	Project Management Implementation Guide
REDD	Reducing Emissions from Deforestation and Forest Degradation
TOR	Terms of Reference
UKP4	The President's Delivery Unit for Development Monitoring and Oversight
UN	United Nations
UNDAF	United Nations Development Assistant Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

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I. SITUATION ANALYSIS

Background

As like other developing countries, climate change threatens many MDG achievements Indonesia has made in the past decade. With 17,000 islands, Indonesia is especially vulnerable to rising sea levels and floods, while erratic weather patterns will impact agricultural production which supports many local livelihoods. Most MDG goals, and especially reducing poverty will be severely compromised without adequate 'climate proofing' or adaptation interventions.

Indonesia is also a major emitter of Green House Gasses (GHGs), with most emissions originating from deforestation and the burning of peat lands. These practices not only cause global warming but also threaten livelihoods, biodiversity, peace and stability.

REDD+ (Reducing Emissions from Deforestation and forest Degradation) has gained traction in the international climate change dialogue and has become an eminent priority for Indonesia because deforestation and forest degradation still represent a major source of Green House Gas (GHG) emissions, in addition to hindering human development and causing environmental problems in the country. Most of Indonesia's GHG emissions are related to land degradation, inappropriate land uses, and land conversion.

Indonesia has played a leading and continually expanding role in addressing the global climate change challenge. At the G20 Summit in Pittsburgh on September 2009, President Susilo Bambang Yudhono committed to a 26% emission reduction target by 2020, and a 41% emission reduction with International support, making Indonesia the first large developing country to do so. By shifting to a less carbon-intensive growth model and playing a leading role in addressing the global climate change challenge, Indonesia stands to:

- Play a proper and appropriate role in combating the severe global challenge of climate change which threatens the country's future prosperity and well-being.
- Create a more sustainable and diversified growth model in the provinces and districts without sacrificing the country's economic and development objectives and providing new energy and purpose into its decentralization program.
- Be a leader in innovative climate financing, providing different financing models to capture global financing to support not only Indonesia's climate change programs but also the country's more general development objectives.

It is widely acknowledged that REDD+ will play an important role to support Indonesia's voluntary commitment to reduce its emissions. To deliver significant reductions a set of clear targets, tailored strategies, policies and Institutions will be required.

The Norway Indonesia Climate Change Partnership

In response to the President's firm commitment, on May 26th, 2010, the governments of Indonesia and Norway signed a Letter of Intent (LoI), outlining a USD 1 billion programme of "Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation". This ambitious programme will be implemented in three phases, namely "Preparation", with five key results to be achieved mostly by early 2011; "Transformation", involving substantial capacity building and a single-province pilot over the period 2011-2013; and "Contributions for verified emission reductions", from 2014 onwards, for national level implementation of measures to reduce emissions. This is a crucial programme aiming to reduce deforestation and land degradation in Indonesia's substantial forest cover, together with associated Green House Gas emissions.

The main purpose of the climate change partnership, focusing on REDD+ is to contribute to significant reductions in greenhouse gas emissions from deforestation, forest degradation and peat land conversion through:

- Conducting an action oriented policy dialogue on international climate change policy, in particular international policy on REDD +.
- Supporting the development and implementation of Indonesia's REDD+ strategy.
- Being a driver for institutional change and reform by aligning multiple Ministries and departments across a common objective and goal, shifting mindsets and attitudes to climate change and creating real and lasting impact on the ground.

Payments will be made to the Government of Indonesia based on deliverables as outlined in the Loi.

In the spirit of partnership, the Joint Consultation Group composed of representatives of the Government of Indonesia and the Government of Norway has been formed as a forum for dialogue and to oversee the implementation of the deliverables of the Loi.

The UN-REDD Programme

The UN-REDD Programme (www.un-redd.org) is a collaborative partnership between FAO, UNDP and UNEP. At the national level, the UN-REDD Programme supports developing countries in the implementation of REDD+ strategies, guided by the principles of country ownership and the United Nations human rights-based approach, and with a strong focus on engagement of all stakeholders, including Indigenous Peoples' and civil society organizations. UN-REDD Indonesia has already supported the Government of Indonesia in many of the key issues to be addressed through the Indonesia-Norway cooperative programme. The UN-REDD programme provides a means of mobilising lessons and experience on REDD+ initiatives globally and brings together the comparative knowledge and expertise of diverse UN agencies.

In order to strengthen preparation for the above Loi, the Indonesian UN-REDD National Joint Programme has already supported various initiatives and national consultations on REDD+ and related Loi activities, conducted by the Ministry of Forestry, National Development and Planning Agency (Bappenas) and the President's Delivery Unit (UKP4).

The REDD+ Task Force

The signing of the Letter of Intent and the USD 1 billion is only a first step which holds the promise of important benefits and implications for Indonesia's climate change efforts. The Government of Indonesia created the Indonesia REDD+ Task Force to consolidate and coordinate all REDD+ initiatives and ensure that LOI implementation reflects the greater Indonesian Climate Change agenda and interests. The Indonesia REDD+ Task Force will be lead by the Head of the UKP4 and composed of individuals in Ministry of Finance, National Development and Planning Agency (Bappenas), Ministry of Forestry, Ministry of Environment, National Land Agency, National Climate Change Council, and UKP4. Ultimately, the REDD+ Task Force will evolve to become the REDD+ Special Agency, the leading entity in handling the national REDD+ program. How the preparation phase is managed will affect the long-term success in dealing with climate change. The combined magnitude of the endeavor, the urgency of the challenges, and the limited timeline for the preparation stage serve as the rationale for provision of support through this project.

The Support to the Indonesia REDD+ Task Force Project is intended to provide technical and operational assistance to the Task Force. The support aims to help oil the Task Force machine and support its forward motion, bridge gaps between the central and local governments and seek to ensure technical integrity in all of the REDD+ Task Force activities.

In August 2010, the Government of Indonesia and Norway held a meeting and agreed that the Norwegian Government will provide initial funding of USD 30 million to prepare for the implementation of the above Loi led by the Indonesia REDD+ Task Force.

UNDP plans to act as the financial manager for Phase 1 of the LOI supporting the above request from the Government of Indonesia and Norway through the framework of a standard UNDP Cost Sharing Agreement and project document, in close coordination with UN-REDD. Further, given the crucial nature of the programme, and time pressure for delivery of activities, a Fast Track modality will be

applied, allowing greater decision making autonomy and flexibility at the local level, expediting necessary recruitment, procurement and other operational processes.

UN-REDD association and REDD+ Standards and Safeguards

The project will also be cognizant of the safeguards being developed for REDD+ under the UNFCCC's Ad Hoc Working Group on Long-Term Cooperative Action (LCA-Text). In accordance with the Lol, under this project Indonesia and Norway intend to give all relevant stakeholders, including indigenous peoples, local communities and civil society – subject to national legislation, and, where applicable, international instruments – the opportunity of full and effective participation in REDD+ planning and implementation.

The project will apply the UN-REDD good governance criteria and risk-based approach to social standards:

Criterion 1 – Integrity of Fiduciary systems

The program has assessed and addressed corruption and fiduciary risks

Criterion 2 – Transparency and Accountability

Program administration and activities as well as allocation and distribution of funds and benefits at all levels of government are carried out in an accountable and transparent manner.

According to Gol's 2010 status report on MDGs, the current situation related to integrating the principles of sustainable development into country policies and programs and reverse the loss of environmental resources (target 7A) for the indicators relevant for REDD+, is as follows:

Indicators	Baseline	Current	MDGs Target 2015	Status	Source
7.1	The ratio of actual forest cover to total land area based on the review of satellite imagery and aerial photographic surveys	59.97% (1990)	52.43% (2008)	Increase	Ministry of Forestry
7.2	Carbon dioxide (CO ₂) emissions	1,416,074 Gg CO _{2e} (2000)	1,711,626 Gg CO _{2e} (2008)	Reduce at least 26% by 2020	Ministry of Environment
7.5	The ratio of terrestrial areas protected to maintain biological diversity to total terrestrial area	26.40% (1990)	26.40% (2008)	Increase	▶ Ministry of Forestry

II. STRATEGY

Overall Objective:

The intended outcome of this project is "National institutions and other key stakeholders are coherently and effectively addressing Climate Change (CC) adaptation and mitigation and ozone layer protection" which was planned to be achieved through the establishment of the infrastructure and institutional setup for the implementation of Letter of Intent between the Government of Indonesia and the government of Norway.

The implementation of Letter of Intent under the Norway Indonesia Climate Change Partnership will be organized in three phases, namely "Preparation", with five key results to be achieved mostly by early 2011; "Transformation", involving substantial capacity building and a single-province pilot over the period 2011-2013; and "Contributions for verified emission reductions", from 2014 onwards, for national level implementation of measures to reduce emissions. The aim is to move through the first two phases in the scope of 3-4 years. This project document covers activities to be conducted under the initial

“Preparation” phase, including transitional arrangements to be developed and agreed upon at the Project Board level, taking into account developments and achievements of key milestones. The latter two phases will continue on the back of successful implementation of the first phase.

Phase 1: Preparation	Phase 2 : Transformation	Phase 3 : Contributions for verified reductions
2010-2011	2011-2013	2014 onwards
<ul style="list-style-type: none"> • Consultation and development of REDD+ national strategy • Establish REDD+ agency reporting directly to President • Select funding instrument • Design MRV framework • Select pilot province 	<ul style="list-style-type: none"> • Operational of funding instrument (Jan 2011) • Launch first (2011) and second (2012) provincial pilot programs • Enforce 2 year suspension of new concessions for natural forest and peat • Establish degraded land database • Operational of Tier 2 MRV system 	<ul style="list-style-type: none"> • Further application of REDD+ strategy and program at national level • Monitoring, study and verification of REDD+ program by independent MRV institution • Report to UNFCCC on emission from forest and peat lands (reference level emissions)

The project plans to contribute to the achievement of this outcome by producing the following outputs:

1. Special REDD+ Agency, including operation of the preparatory Task Force established
2. Effective Implementation and M&E framework for National REDD+ Strategy developed
3. National communications and awareness raising program for REDD+ developed and initiated
4. Funding instrument and safeguard mechanism developed
5. MRV Framework developed
6. Criteria for selection of province for REDD+ pilot prepared
7. Plan for suspension of forest conversion concessions developed
8. Quick and efficient project delivery with solid fiduciary management

The project plan to achieve the above outputs in the manner as elaborated in the below sections. The activities described in the outputs below are not exhaustive. Further, the budget proposal is considered indicative of the expenses to be incurred in the pursuit of the deliverables described below. The Indonesia REDD+ Task Force will proceed as necessary to meet the functional deliverables of this proposal and may amend or propose additional activities for budget allocation as necessary to meet those goals.

Output 1: Special REDD+ Agency, including operation of the preparatory Task Force established (USD 5,19 million)

This Output will establish a Special REDD+ Agency reporting directly to the President to coordinate the efforts pertaining to the development and implementation of REDD+. This project will help mobilize short term technical advisers and services to support the Task Force to fulfill its mandate. Preparatory processes conducted by the REDD+ Task Force may include multiple stakeholder consultations at national and local levels, clarification of legal frameworks, and agreement on key REDD+ issues including MRV, safeguarding rights, REL, payment distribution mechanisms and eligible REDD+ strategies. Initially, a fully staffed REDD+ Task Force with office premises will be established to manage the process of establishing the Agency.

The REDD+ Task Force shall consolidate steps by relevant Line Ministries, donors, NGOs and CSOs and ensure coordination of all REDD+ initiatives, including the UN-REDD Programme, the Forest Carbon Partnership Facility, the Forest Investment Program and other bi- and multilateral REDD+ initiatives and demonstration as well as voluntary activities taking place in Indonesia. Activity of this output will include the development of an IT system to enable monitoring of latest programs and projects nationwide, similar to the Recovery of Aceh-Nias (RAN) Database managed by the BRR.

Output 2: Effective Implementation and M&E framework for National REDD+ Strategy developed (USD 2,91 million)

This Output focuses on developing implementation mechanisms and M&E framework for the National REDD+ Strategy. The National REDD+ Strategy is currently being developed through a multi-stakeholder consultation process under the leadership of BAPPENAS, with support of the UN-REDD Indonesia programme, and will be completed by November 2010. The National REDD+ Strategy will outline the key principles, issues and strategies to effectively implement REDD+ programs in Indonesia, including how to put in place enabling conditions such improving land use, law enforcement, governance, and forest management. The technical support from this project will assist the Indonesia REDD+ Task Force, vis-a vis Bappenas, in ensuring quality assurance, further activities related to the National Strategy and in developing detailed action plans for the related line ministries and local government through extensive consultations with all relevant stakeholders. In addition, M&E guidelines and framework for the National REDD+ will be developed to effectively monitor the progresses and to ensure continuous improvement of the strategy implementation.

Output 3: National communications and awareness raising program for REDD+ developed and initiated (USD 8,91 million)

Output 3 will be the design and launch of a public communications and awareness raising program aimed at communicating the National REDD+ Strategy across the country. This will be instrumental in providing accurate information about the strategy and impact that it will have at national, regional, and local levels. It is believed that public understanding and support of the goals of REDD+ will be instrumental in the short term for generating constructive stakeholder input and in the long term for engaging those stakeholders in support of implementation, monitoring, enforcing, and verifying the objectives of the National REDD+ strategy. The campaign will be closely coordinated with other outputs of this project, namely the National REDD+ Strategy, pilot province selection, financing and safeguard approach, the MRV strategy, and the suspension of concessions. The major implementation components include:

- Mass media campaign to deliver accurate information on REDD+
- Print campaign delivering wide distribution of the National REDD+ Strategy and impact details
- Professional services in managing the campaign and professional creative and PR agencies
- Grass roots engagement programs such as 'town hall' style meetings and school based events

In addition, the project will support the design and initiation of an awareness raising program.

Output 4: Funding instrument and safeguard mechanism developed (USD 2,59 million)

Output 4 will be a complete design of a financial instrument and associated mechanism for ensuring social, environmental, governance and fiduciary safeguards for Phases 2 and 3 of the Lol. Fiduciary responsibility will be held by a credible financial institution which will manage an instrument created to serve the sole purpose of financing REDD+ activities in Indonesia. The REDD+ Task Force will be responsible for determining how the financial and safeguard roles will be implemented. This implementation for Phase 2 and onward will be determined independent of the instrument and mechanisms created for financing of Phase 1. Key activities toward this output will include consultations and counsel with legal and financial experts and stakeholders, and also the identification and design of the appropriate Institutional set up. The instruments shall:

- be based on contributions-for-deliverables, adapting over time as 'deliverables' evolve from enabling policies to national level verified emission reductions;
- be managed according to established international standards – including fiduciary, governance, environmental and social safeguards;
- ensure transparency in all aspects of disbursements and operations;
- provide for participation of a variety of stakeholder groups, including but not limited to indigenous and local communities, national and local government, and civil society subject to national legislation, and, where applicable, international instruments;

- channel financial resources solely to the implementation of Indonesian REDD+ and low carbon development strategies that qualify as official development assistance (ODA);
- undergo independent annual audits;
- be agreed by key stakeholders before it is established.

Output 5: MRV Framework developed (USD 5,49 million)

Output 5 will be a strategy for and establishing the initial framework of an independent institution for a national monitoring, reporting and verification system for anthropogenic forest and peat related greenhouse gas emissions by sources and removals of sinks, forest carbon stocks and natural forest area changes. Key activities include the collection and consolidation of district level data on forests and operating licenses/concessions, and testing of MRV systems.

The working group will consult numerous technical experts in the design of the MRV framework; however the ultimate implementation arrangements of this Activity will be decided by the Indonesia REDD+ Task Force. Given the highly technical nature of this output, expertise will be drawn from a wide variety of sources which are likely to include national agencies, foreign government agencies with relevant experience, and private sector, multilateral, and academic institutions. The support for this output will help conduct needs assessments and gap analysis as the initial step in developing the MRV framework that is acceptable by the international community.

The MRV institution and strategy are designed for the primary purpose and principle of generating a more timely, trustworthy and comprehensive picture of global/national or sectoral GHG emissions trends. Specific functions of the institution are:

- **Monitoring:** Remote sensing and ground measurement of land use change and associated emissions
- **Reporting:** Monitored data is collected, analyzed and reported in a transparent and standardized manner
- **Verification:** Independent assessment of the accuracy and reliability of reported information

The strategy, scope, and capability of the institution should

- be in accordance with UNFCCC decisions and methodological guidance
- be national in scope and enable consistent reporting at the subnational and programme scales with low uncertainty
- integrate with monitoring of other environmental components, such as biodiversity

Implementation of the institution and its strategy shall reflect three practical requirements:

- **Urgency:** MRV requirements should not create an undue obstacle to near-term action on mitigation
- **Flexibility:** The MRV structure should catalyze creative models of mitigation and technology, finance, and capacity-building support, and avoid being overly prescriptive
- **Continuous improvement:** The MRV structure should incentivize and support enhanced MRV capacity over time

Further, Output 5 will include development of the human, material and institutional capacity for the establishment/operation of the independent MRV institution.

Output 6: Criteria for selection of province for REDD+ pilot prepared pilot (USD 1,49 million)

Output 6 will support the development of the selection criteria for a province-wide REDD+ pilot. The steps to developing the criteria for the pilot province have been coordinated by the Ministry of Forestry thus far. Harmonization among the selection criteria and other deliverables of the LoI is imperative. As such, the Indonesia REDD+ Task Force, with support from this project, will be responsible for the

finalization of a comprehensive set of criteria from which to gauge the readiness, impact and value in selecting the province for pilot activities.

This output will support the development of selection criteria to include information about the province, such as whether it has large intact tracts of rainforest and face planned deforestation and forest degradation projects of a scale that will have significant impact on national emissions levels if implemented. Other selection criteria will be related to governance capability, biophysical characteristics, social and economic impact, and MRV implementation practicality.

A detailed REDD+ Strategy for the pilot province, developed through a transparent and inclusive multi-stakeholder process and addressing all key drivers of forest and peat land related emissions, will be developed. A large campaign with stakeholder outreach will be conducted to raise awareness of the pilot provincial level REDD+ project. Further activities include in-depth consultations with local stakeholders of candidate provinces, including Government, communities, private sector and CSOs. These consultations will be closely coordinated with Output 3.

Output 7: Plan for suspension of forest conversion concessions developed (USD 4,09 million)

Output 7 is an Indonesia-wide policy instruments and enforcement capabilities, regarding a two year suspension on all new concessions for conversion of peat and natural forest. To properly formulate this policy the Task Force will assess district level information on forests status, agency, actual use, and licenses will be accumulated and consolidated, in order to accurately assess the situation and design an appropriate moratorium policy. Specifically, a degraded lands database may be developed, starting in one or more appropriate provinces, to understand the feasibility and opportunity costs of economic activity on such lands rather than converted peat land or natural forests. This will help guide the development of policy taking into account costs and benefits for each district affected. Further, consideration of the enforcement of existing laws against illegal logging and trade in timber and related forest crimes will be required. Finally, appropriate measures to address land tenure conflicts and compensation claims, especially by local communities should be developed. This project will support the technical capacity needed for this massive undertaking.

Output 8: Quick and efficient project delivery with solid fiduciary management (USD 0.87 million)

A Project Management Unit will be established to provide the above activities with all the necessary administrative and operational support in a flexible and accountable manner. Indicative activities include:

1. Administrative support to the Policy Board, Task Force, and all Working Groups dealing with their respective activities;
2. Monitoring and Evaluation conducted to showcase progress of LoI preparatory activities;
3. Audit compliance

Section V provides greater detail on the organization and roles of the PMU.

Cross-Cutting Issues

All UNDP supported projects and programmes are developed and implemented in line with agreed international principles and with cross-cutting themes that are proven to improve the effectiveness and efficiency in the use of resources. Seeing that the 'Support to the Indonesia REDD+ Task Force' project will be associated with the UN-REDD Programme, the project will also integrate some of the key safeguards and principles of the UN-REDD. The following section outlines these core principles. UNDP, based on its vast experience in supporting development projects, is well positioned to support the GoI and the REDD+ Task Force in ensuring that the project is designed and managed in line with these international standards and best practices.

Transparency, Accountability and Anti-Corruption

The GoI and UNDP share the common fiduciary responsibility to ensure that all resources invested in supporting the GoI's development efforts are managed with the highest levels of

transparency, accountability and integrity. Lack of transparency and accountability and measures to safeguard public resources creates room for corruption and mismanagement of resources, both of which can have serious consequences on the country's prospects for development. Mismanagement in REDD+ not only reduces the benefits available to local communities, but may also result in a failure to achieve emission abatement potential and the creation of offsets which lack environmental integrity. In this regard, it is important to ensure that national REDD+ strategies are linked to public policies and initiatives related to accountability, transparency, anti-corruption, promotion of integrity, honesty and responsibility among public officials. Measures that support capacity development for those government institutions and CSOs engaged in REDD+ activities are equally important. Moreover, increasing public access to information on REDD+ and transparent public procurement and public finance management system, in addition to strengthening oversight functions of relevant institutions and harmonization and coordination of anti-corruption initiatives at the country, regional and international levels play important roles in addressing corruption risks.

Governance and Human Rights

Governance challenges in relation to REDD+ are many, such as unenforced land tenure systems, elite capture, marginalization of stakeholders and uncoordinated mechanisms or institutions. Governance will need to be grounded on clear and enforceable tenure systems for land and carbon and well-defined rights to resources; it will emphasize multi-stakeholder mechanisms and local empowerment; and it will be based on principles of transparency, inclusiveness, accountability, coordination and capacity and enforcement. It is equally vital to expand people's opportunities to participate in political decision-making, make institutions more accountable and responsive to citizens; protect human rights of individuals and communities and improve access to justice through policy and legal empowerment. In addition, legal harmonization and enforcement mechanisms for forestry-related crimes, as well as effective dispute resolution and public complaint mechanisms are significant for effective REDD+ implementation.

Engagement of Indigenous Peoples and Forest-Dependent Communities

The proposed framework for REDD+ under the 1992 *United Nations Convention on Climate Change* (UNFCCC), which was negotiated at COP 15 in Copenhagen 2009, recognizes the need to engage indigenous peoples and local communities in developing and implementing REDD+ projects and activities.¹ Furthermore, participation and inclusion² are among the human rights principles that guide the United Nations' work at all levels. The Free, Prior, and Informed Consent principle must be adhered to, and is essential to ensure the full and effective participation of Indigenous Peoples and other forest dependent communities in policy-making and decision-taking processes. In consultation with representatives of Indigenous Peoples and civil society, the UN-REDD Programme has developed an Operational Guidance³ on the Engagement of Indigenous Peoples and other Forest Dependent Communities, which informs the design, implementation, monitoring and evaluation of UN-REDD Programme activities at the global and national level.

Gender

Gender equality and women's empowerment are human rights that lie at the heart of development and are relevant for the success and sustainability of a REDD+ architecture. Guiding principles may include definition of issues in such a manner that gender differences can be diagnosed, the translation of gender mainstreaming into practice and efforts to broaden women's participation at all levels of decision-making.

¹ Draft decision /CP.15 on Policy approaches and positive incentives on issues relating to REDD in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (FCCC/AWGLCA/2009/L.7/Add.6).

² Participation and Inclusion: Every person and all peoples are entitled to active, free and meaningful participation in, contribution to, and enjoyment of civil, economic, social, cultural and political development in which human rights and fundamental freedoms can be realized. UNDG (2003).

³The Operational Guidance, Engagement of Indigenous Peoples and Other Forest Dependent Communities, Working Document : http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=455&Itemid=53

Links to MDGs

MDGs include goals and targets on income poverty, hunger, maternal and child mortality, disease, inadequate shelter, gender inequality, environmental degradation and the Global Partnership for Development. For REDD+ and this project, Targets 7A; 'Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources', and 7B; 'Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss', are particularly relevant.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

Outcome (CPAP) 2011-2015 : National institutions and other key stakeholders are coherently and effectively addressing Climate Change (CC) adaptation and mitigation and ozone layer protection

Relevant indicators:

1. Existence of a strong and effective national institution that can serve as the sole initial contact domestically and internationally for REDD+ initiatives
2. State funds allocated for climate change programming
3. % change of greenhouse gas emissions compared to national baseline

Relevant baselines:

1. Fragmented approach to combating deforestation for both domestic programs and international investment
2. Negligible state funds allocated specifically for climate change activities
3. Government official statement of GHG emissions in BAU/2020 (TBC)

Relevant targets:

1. A strong, cabinet level REDD+ institutions is established by 2011 to orchestrate the necessary components of a credible national deforestation and forest degradation control programme. A coherent REDD+ strategy that can be applied nationally and allow the REDD+ Agency to act as a focal point for REDD+ related programmes is introduced by 2011. A presidential decree specifying a land concession moratorium is enacted by 2011.
1. 50% increase in state funding allocated for climate change programming
2. 41% below BAU (business as usual scenario)

Applicable Key Result Area (from 2008-12 Strategic Plan): 4.2. Catalyzing environmental finance

Partnership Strategy: This project will be implemented by the Indonesia REDD+ Task Force. Partnership will be established with the relevant responsible parties such as line ministries and local authorities to deliver project outputs. The project will also establish partnership with NGOs/CSOs to deliver community outreach activities.

Project title and ID (ATLAS Award ID): Support to the Establishment of Indonesia REDD+ Infrastructure and Capacity (00060694)				INPUTS (USD 1,000)
INTENDED OUTPUTS	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	
Output 1 Special REDD+ Agency, including operation of the preparatory Task Force established	<ul style="list-style-type: none"> REDD+ special agency reporting directly to the President established and supported by the Indonesia REDD+ Task Force REDD+ preparatory processes conducted by the Task Force 	<ul style="list-style-type: none"> Agency design Leadership appointments 	REDD+ Task Force	5,195
Output 2 Effective Implementation and M&E framework for National REDD+ Strategy developed	<ul style="list-style-type: none"> Plans for the detailed Actions Plans related to the National REDD+ Strategy developed National REDD+ Strategy M&E guidelines developed 	<ul style="list-style-type: none"> Socialization activities for the National REDD+ Strategy Detailed Action Plans of the Strategy developed 	REDD+ Task Force	2,916
Output 3 National communications and awareness raising program for REDD+ developed and initiated	<ul style="list-style-type: none"> Public awareness and education campaign designed and initiated to improve understanding and involvement in REDD+ implementation 	<ul style="list-style-type: none"> Mass media campaigns Local outreach activities 	REDD+ Task Force	8,916
Output 4 Funding instrument and safeguard mechanism developed	<ul style="list-style-type: none"> REDD+ Funding mechanism is designed 	<ul style="list-style-type: none"> Financial instrument design Safeguard implementation design Stakeholder consultations 	REDD+ Task Force	2,595
Output 5 MRV Framework developed	<ul style="list-style-type: none"> MRV framework is developed Institutional arrangement for implementation 	<ul style="list-style-type: none"> Baseline data gathering of forest coverage and concessions Technical systems assessment MRV agency design 	REDD+ Task Force	5,495
Output 6 Criteria for selection of province for REDD+ pilot	<ul style="list-style-type: none"> Pilot provinces are selected based on certain criteria Pilot Province implementation 	<ul style="list-style-type: none"> Develop criteria and syndicate Receive and evaluate proposals Assessment and selection 	REDD+ Task Force	1,495

prepared	strategy	Preparation of province for implementation		
Output 7 Plan for suspension of forest conversion concessions developed	<ul style="list-style-type: none"> Design for moratorium implementation is developed 	<ul style="list-style-type: none"> Define key terms and parameters Scenario analysis Design implementation process 	REDD+ Task Force	4,095
Output 8 Professional Project Mgt	<ul style="list-style-type: none"> Administrative support to project Board, Task Force, and Working Groups set-up Monitoring, evaluation and reporting of project progress conducted Audit Compliance conducted 	<ul style="list-style-type: none"> Recruitment of professional & support staff for Project Board, Task Force and Working Group Implementation of Monitoring, evaluation and reporting Implementation of Audit 	UNDP	849

IV. MANAGEMENT ARRANGEMENTS

Financial Arrangements

The activities contained within this Project Document will be implemented using the framework of a standard UNDP Cost Sharing Agreement, implying compliance with relevant GoI and UNDP rules and regulations.

The NPD will ensure and be responsible for the project to be registered to the Ministry of Finance (Directorate of Funds) following PP No.2/2006, as ODA funding under the Norway Indonesia Climate Change Partnership. UNDP then will report to the REDD+ Task Force all the procured goods and services, then the Task Force will report to the Ministry of Finance following the Government Regulation PMK 40/2009 by the end of the project.

All asset and services shall be procured in line with the relevant rules and regulations. All assets shall at all time be in the custody of the PMU throughout the life of the project and remains the property of UNDP unless approved by the Project Board to be transferred during the implementation of the project or at the closing stage. If the transfer of assets is made to the Government during the project implementation, the Government should provide maintenance funds for the assets until the project has ended.

Implementation Arrangements

The project will be implemented within the framework of Phase 1 of the Lol between the Indonesia and Norway, and in close association with the UN-REDD National Joint Programme in Indonesia. The project design reflects the proposed activities from the Government of Indonesia that will be undertaken by the REDD+ Task Force during the first phase of the Lol. The REDD+ Task Force will represent the Government of Indonesia (GoI) in this project. The REDD+ Task Force has overall responsibility for substantive management of the programme. Transitional arrangements will be discussed further at Project Board level, in close coordination with the REDD+ Task Force, in the context of the Lol.

Implementation arrangements follow the standard UNDP project management under national implementation modality (NIM), implying all relevant rules and regulations of the GoI and UNDP apply, as stated in the Project Management Implementation Guideline (PMIG).

REDD+ Task Force

On 20 September 2010, a REDD+ Task Force was established by Presidential Decree "THE PRESIDENT OF REPUBLIC INDONESIA DECREE NO 19 YEAR 2010 REGARDING TASK FORCE FOR THE PREPARATION OF THE ESTABLISHMENT OF REDD+ INSTITUTION." (unofficial translation). This was based on the recognition that the implementation of the Lol requires integration and harmony under a single mode of coordination, even before the establishment of a REDD+ Agency. The REDD+ Task Force will therefore form the basis of the eventual REDD+ Agency. The members of the Task Force as stipulated in the Decree are as follows:

REDD+ Task Force members:

Chairman	Kuntoro Mangkusubroto
Secretary	Heru Prasetyo
Member	Anny Ratnawati
	Lukita Dinarsyah Tuwo
	Joyo Winoto
	Hadi Daryanto
	Masnellyarti Hilman
	Iman Santoso
	Agus Purnomo
	Nirarta Samadhi

The members of the REDD+ Task Force will provide overall guidance of the project, which in essence is supporting the Task Force to achieve its objectives as stipulated in the Presidential Decree and Lol.

Project Board

UNDP requires all projects to establish a Project Board (PB). The PB will set the strategic direction of the project, provide an oversight of the project's execution and its activities, including recommendations for approval of project plans and revisions. In order to ensure the project's ultimate accountability, PB decisions should be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

The PB will comprise of: the Head of the REDD+ Task Force, Government of Norway and UNDP as the Senior Suppliers providing guidance regarding the technical feasibility of the project, and Senior Beneficiary, representing the interests of those who will ultimately benefit from the project.

The Project Team will report regularly to the PB. The NPM and NPD will refer to the PB when issues arise that exceed the authority of the NPM/NPD.

National Project Director (NPD)

The NPD will carry overall accountability on behalf of the GoI and will report to the Project Board on progress made and issues to be resolved. She/he will establish and provide overall guidance to the Programme Management Unit, and directly supervise the NPM.

The NPD for this project will be the Secretary of the REDD+ Task Force, as stated in "THE PRESIDENT OF REPUBLIC INDONESIA DECREE NO 19 YEAR 2010 REGARDING TASK FORCE FOR THE PREPARATION OF THE ESTABLISHMENT OF REDD+ INSTITUTION".

The NPD has the responsibility to sign the Combined Delivery Report (CDR), Annual Workplan (AWP) and FACE Form. The institutional arrangement, as well as the tasks and functions of the NPD, will be explained in detail in the Project Standard Operating Procedures (SOP) referring directly to the Project Document.

Project Assurance

On behalf of the Project Board, UNDP will perform the project assurance function, to ensure results are achieved at the quality and timeline as approved by the project board.

UNDP will establish a separate Task Force within its Indonesia Country Office to provide the Project Assurance role, which supports the Project Board by providing the following functions:

- Identify and address possible gaps and risks and how to mitigate them;
- Ensuring that project plans are being developed according to standards and that quality management procedures are properly followed;
- Ensuring that project outputs and activity definitions, including description and quality criteria, have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensuring that the Project Board's recommendations are followed and revisions are managed in line with the required procedures.

The UNDP Task Force will be led by the Environment Unit, but will include other key personnel from the UNDP Country Office, such as from the Governance Unit as well as operational support.

The UNDP Task Force's assurance measures will draw upon UN-REDD standards, guidelines and experiences. As such, it will draw necessary technical assurance expertise from UNDP's UN-REDD team and through them, the UN-REDD global programme.

- In this context, UNDP will establish an association between the project and the UN-REDD collaborative partnership at the global level. This will provide a link with one of the main multilateral initiatives for REDD+ readiness. At the international level, Indonesia and

Norway may use this link to highlight the LoI as an example of fast-start financing in practice. It will also provide a platform for the sharing of progress with other REDD+ countries and transfer of knowledge through the UN-REDD Programme.

Project Management Unit

The Project Management Unit (PMU) will be established under overall direction of the NPD, with day-to-day management from the National Project Manager. This entity will be responsible for the day to day operational and financial activities and reporting in accordance with the rules and regulations of the Government of Indonesia and UNDP, as stated in the PMIG, such as asset management and audits.

These services include, inter alia, support to recruitment and contracting of project management and technical staff for the project management unit; procurement of goods and services for project inputs; developing AWP; support for budget and financial management; etc. The PMU will provide support for REDD+ Task Force in the formulation of terms of reference, and performing the necessary internal control functions to ensure that activities are carried out as per rules and guidelines.

The PMU will also be responsible for translating work activities prioritized by the Working Group Managers to work plans covering all activities and inputs under the project. Quarterly progress reports will be prepared on activities and detailed expenditures. The AWP will be accompanied by a budget table and the clarification of specific procurement and recruitment activities to be undertaken by either the PMU or UNDP. The AWP and budget will be reviewed and agreed by the PB.

The PMU will open a project bank account and operate under Gol regulations. As necessary and requested by the implementing partner, implementation under UNDP will also be possible. This gives the project maximum flexibility in dealing with urgent and complex recruitment/travel/procurement requests. Detailed arrangements on matching implementing partner with activity will be developed later and approved by the PB. Project activities can be implemented through partnership local government agencies, selected NGOs, and selected International Organizations as required.

The PMU houses all operational staff including Working Group Coordinators who oversee their respective Working Groups. Each Working Group will be managed by members of the Task Force and is responsible for their corresponding Output (i.e. Working Group 1 manages Output 1).

The number of personnel in PMU will be decided as needed by the National Project Director upon approval from the Project Board. At the minimum the PMU should consist of the following:

- **National Project Manager**
Reporting directly to the National Project Director, the NPM is responsible for the day-to-day management of the PMU including supervising staffs and personnel. The NPM is responsible for preparing project work plan and accountable for the achievement of outputs and targets as approved by the project board. She/He approves requests for support, ensures that vital areas of institutional interest are addressed, and deals with any other programmatic or budgetary issues. The NPM is also responsible for ensuring clear and strategic support line between PMU and the working groups. Strategic issues are discussed with and decided by the NPD and/or NPM.
- **Operation manager**
An operation manager will be responsible for ensuring provision of project inputs for the Task Force as identified in operational needs of the project; allocating resources as well as the day-to-day management. Throughout the duration of the project, the operation manager will also liaise closely with the Task Force to support the optimal allocation of resources based on identified priorities.
- **Working Group Coordinator**
The Working Group Coordinators will liaise between the Working Groups and PMU, and manage all Working Group operational requests including procurement, recruitment,

travel and outsourcing. The Working Group Coordinators will directly manage all operational requests of their respective Working Groups, including travel, workshops, commissioned research, outsourcing, procurement etc, and will report to National Project Manager. Working Group Coordinators will also coordinate M&E of the Working Groups, ensuring results are reported and progress is made, while working closely with the PMU on remaining budget and other administrative issues. Other responsibilities include the facilitation of coordination among members of the Project Board through Project Board meetings, informal and formal communications, field visits and monitoring as well as other relevant activities, organize production of knowledge management out of the project implementation, and utilize lessons learned for wider application at the national and other provinces levels.

- **Finance Associate**

The Financial Associate will assist all Working Groups to advise on budgets according to the work plans and ensure all funds are spent in line with approved work plans. Other key tasks include the reporting of expenses, preparing for audit, dealing with cash advance requests, and generally ensuring solid fiduciary management of the project.

- **Monitoring and Reporting Officer**

Solid Monitoring and reporting is a key component of any successful project, and determines how the project can explain and showcase to external stakeholders progress made and impacts delivered. For the above, M&R officers will, in conjunction with the NPM and Working Group Coordinators, develop detailed result resource frameworks with quantifiable indicators, baselines and targets. In some instances, the M&E officer may advise on surveys to establish a baseline where none may exist- this is crucial in enabling an objective measurement of a project's impacts.

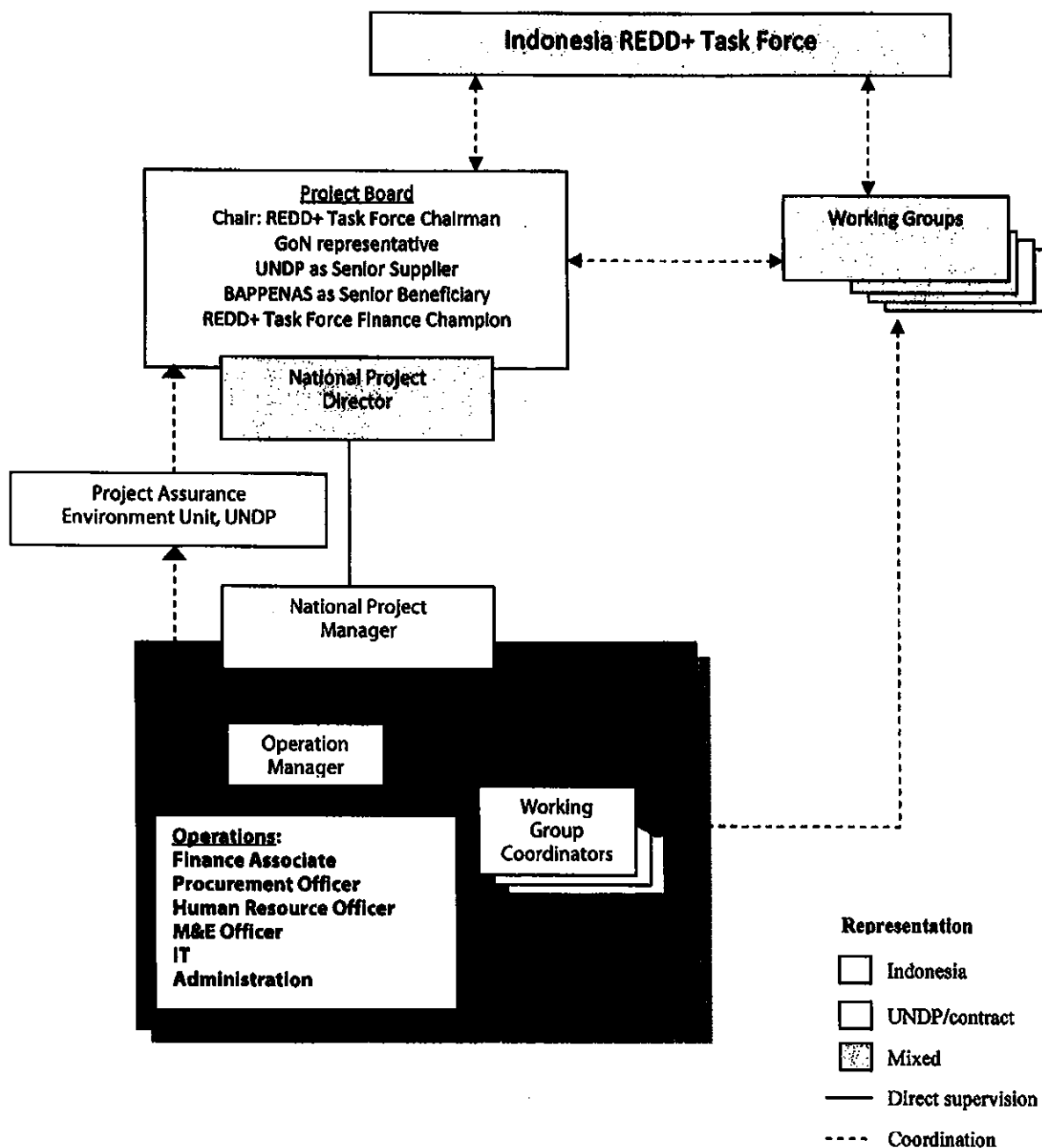
Other staff functions include: **administration, drivers and secretarial** posts. The exact number and composition of the above posts will vary according to needs of the project.

Following GoI request, this project will be implemented through standard UNDP cost sharing project arrangements. UNDP will be used as an interim financial manager to fund the activities of the task force during the preparatory phase of the Lol. When appropriate, UNDP may be asked to provide administrative support in order to ensure financial transparency of the project.. Given the highly important and critical nature of the project, UNDP will apply the Fast Track Policies and Procedures (FTP), which allows certain flexibility and expediency regarding recruitment and procurement processes.

The various components of this project will be implemented either directly or jointly by the Task Force and/or UNDP, or out-sourced to private sector firms or individual contractors as appropriate, considering the factors of capacity, timeliness and effectiveness. In making decisions about what implementation approach or partner to use, priority will be given to prospects for efficiency and effectiveness in delivery. Sourcing of private sector firms or individual contractors as responsible parties will be undertaken through competitive procurement processes.

Each Activity will be managed by a corresponding Working Group, corresponding of relevant Government staff and experts, and also consultants hired to conduct specific research, drafting documentation etc. The Working Groups will be supported by a Project Management Unit that will support all operational and project administration related issues. Day-to-day project management will be overseen by the National Project Manager (NPM). In addition, the National Project Director (NPD) approves change requests as well as providing overall guidance on the project's implementation. The NPD and NPM will be appointed by and will report directly to the Head of the REDD+ Task Force.

V. PROJECT MANAGEMENT ORGANISATION STRUCTURE



VI. MONITORING AND EVALUATION FRAMEWORK

An overall monitoring framework will be designed to ensure effective multi-stakeholder (UNDP, Government, donors) monitoring for results supported through on-site monitoring, regular reporting, and financial expenditure tracking. The monitoring framework for this programme is intended to achieve the following purposes.

- **Results-Orientation:** Ensure appropriate measurement and assessment of programme performance to effectively improve performance and achieve results.
- **Quality Assurance:** Ensure quality in project activities supported through this programme to ensure best possible benefit for beneficiaries, through monitoring programme delivery and identifying issues that need corrective action and ensure that additional assistance is provided early.
- **Accountability:** Ensure accountability in the use of programme resources through heavy emphasis on financial reviews to make sure that funds are being appropriately used to achieve project outputs, and that the implementing agents have sufficient controls in place to demonstrate that funds are being used appropriately.
- **Transparency:** Ensure transparency in programme activities, finances, and results to all stakeholders.
- **Learning:** Ensure that the programme has learning mechanisms for purposes of improving ongoing implementation and guiding new initiatives, and to identify key lessons learned and successes stories from programme implementation in relation to mainstreaming disaster risk reduction into the development planning and implementation processes of UNDP, the Government and development partners.

In order to achieve these purposes, the monitoring framework for this programme will seek to apply the following measures:

- **Appropriate Resourcing of Monitoring:** The programme will dedicate staffing to ensure proper implementation of monitoring systems, including monitoring officers and financial monitoring assistants, as well as financial resources for monitoring purposes.
- **Lessons from Previous Programmes:** The programme will seek to address lessons from previous evaluations and assessments of UNDP programmes regarding monitoring systems.
- **Result-Oriented:** Priority is placed on result monitoring and regularly scheduled review meetings to take stock on the achievement of results.
- **Template-Based System:** The programme will seek to apply a template-based system to structure monitoring information and ensure its collection on a regular basis.
- **Joint Monitoring:** When needed, monitoring should include joint monitoring activities with government and other partners at various levels.
- **Operational Effectiveness:** Ensure proper application of UNDP's internal control framework, and reviews of operational effectiveness.
- **Downward Accountability:** The programme will seek to identify monitoring approaches that promote downward accountability in the monitoring framework.

Financial Monitoring

The project's financial resources will be managed through a series of controls at various levels. All financial transactions are monitored, recorded, analysed and reported through in compliance with PMIG. Approved project budgets and expenditures will be shared with relevant parties for transparency purposes.

Payments to the responsible parties will generally be made by either the implementing partner or directly by UNDP. Payments are made on the basis of payment schedules articulated in the

contract or partnership agreement. Payment schedules are linked into achievement of agreed deliverables and outputs.

This project will be audited following relevant UNDP rules and regulations.

Programmatic Monitoring

An overall monitoring framework will be designed to ensure effective multi-stakeholder (UNDP, Government, civil society, community, donors) monitoring of activities supported through the programme, through on-site monitoring, regular reporting, and financial expenditure tracking.

Tools for the programmatic monitoring will consist of:

1. **Progress report in a form Quarterly Monitoring Report**
The project manager/team leader is responsible for submitting progress report on a quarterly basis in the form of QMR
2. **Project Assurance Report**
Upon receipt of the QMRs the Project Assurance team will prepare an internal project assurance report for the project boards on a quarterly basis.

VII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document.

- (a) The Revised Basic Agreement for Technical Assistance signed 29 October 1954 between the United Nations, the International Labour Organisation, the Food and Agriculture Organisation of the United Nations, the United Nations Educational, Scientific and Cultural Organisation, the International Civil Aviation Organisation, and the World Health Organisation and the Government of the Republic of Indonesia,
- (b) The Standard Agreement on Operational Assistance signed 12 June 1969 between the United Nations, the International Labour Organisation, the Food and Agriculture Organisation of the United Nations, the United Nations Educational, Scientific and Cultural Organisation, the International Civil Aviation Organisation, the World Health Organisation, the International Telecommunication Union, the World Meteorological Organisation, the International Atomic Energy Agency, the Universal Postal Union, the Inter-Governmental Maritime Consultative Organisation and the United Nations Industrial Development Organisation and the Government of the Republic of Indonesia,
- (c) The Agreement signed 7 October 1960 between the United Nations Special Fund and the Government of the Republic of Indonesia, and
- (d) all CPAP provisions apply to this document.

Additionally, this document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto as Annex 2.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security Plan and maintain the security Plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security Plan.

UNDP reserves the right to verify whether such a Plan is in place, and to suggest modifications to the Plan when necessary. Failure to maintain and implement an appropriate security Plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.