



**The World Bank**

ID: Jambi Sustainable Landscape Management Project (J-SLMP) (P166672)

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# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 11-May-2020 | Report No: PIDISDSA26143



## BASIC INFORMATION

### A. Basic Project Data

Country Indonesia	Project ID P166672	Project Name ID: Jambi Sustainable Landscape Management Project (J-SLMP)	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 20-Feb-2020	Estimated Board Date 26-Jun-2020	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Republic of Indonesia	Implementing Agency Ministry of Environment and Forestry	

#### Proposed Development Objective(s)

The program's proposed development objective is to improve sustainable landscape management that reduces land-based greenhouse gas emissions in selected sites in Jambi.

#### Components

Strengthening Policy and Institutions

Implementing Sustainable Land Management

Project Management and Monitoring and Evaluation

## PROJECT FINANCING DATA (US\$, Millions)

### SUMMARY

Total Project Cost	13.50
Total Financing	13.50
of which IBRD/IDA	0.00
Financing Gap	0.00

### DETAILS

#### Non-World Bank Group Financing

Trust Funds	13.50
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BioCarbon Technical Assistance Trust Fund

13.50

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

## B. Introduction and Context

Country Context

1. **Indonesia is emerging as a politically stable middle-income country seventy years after independence and following more than a decade of political and institutional reforms.** With a population of 260 million living across over 6,000 inhabited islands, Indonesia is the world's fourth most populous nation, the tenth largest economy in terms of purchasing power parity, and the only Southeast Asian member of the Group of Twenty (G20). Indonesia is endowed with remarkable natural resources from its land and seas. The country has made significant gains in poverty reduction and for a decade up until 2015, it had an annual growth rate of about 6 percent.<sup>1</sup> In 2016, growth slowed to 5 percent and is projected to remain steady at 5.2 percent in 2019<sup>2</sup>, while poverty reduction rates remain at 10.7 percent. The country's Gross Domestic Product (GDP) per capita has steadily risen, from US\$857 in the year 2000 to US\$3,847 in 2017. The economy is based largely on extraction of non-renewable resources (16 percent of GDP, 40 percent of exports), as well as agriculture and forestry (34 percent of GDP).

2. **Indonesia has had one of the highest rates of deforestation in recent decades.** Annual deforestation rates within the Forest Area (*Kawasan Hutan*)<sup>3</sup> peaked between 1996-2000 (totaling 3.51 million hectares (ha)) and averaging .82 million ha per year since 2000.<sup>4</sup> Land administration in Indonesia is divided between the Forest Area administered by the Ministry of Environment and Forestry (MoEF) and non-Forest Area administered by the Ministry for Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN). Land management and administration system dualism contributes to weak governance and uncertainty over tenure arrangements. These circumstances are compounded by poverty rates that are twice as high for those inside and around forest areas (26 percent inside *Kawasan Hutan*) as compared to the national average (11.3 percent).

3. **Indonesia is the fifth-largest greenhouse gas (GHG) emitter globally<sup>5</sup>, with emissions from deforestation and forest degradation constituting the majority share of national GHG emissions<sup>6</sup>.** Expanding agriculture, logging, mineral extraction, urbanization and housing development have resulted

<sup>1</sup> World Bank (2015) Indonesia – Country Partnership Framework for the period FY16 - 20 (English).

<sup>2</sup> World Bank (2018) Indonesia Economic Quarterly (IEQ) December 2018: Strengthening Competitiveness.

<sup>3</sup> According to Law 41/1999, Forest Area (*Kawasan Hutan*) is designated and or stipulated by government to be preserved as permanent forest, with or without forest cover and includes Protection Forest (*Hutan Lindung*), Conservation Forest (*Hutan Konservasi*), and Production Forest (*Hutan Produksi*).

<sup>4</sup> Based on Government reported data. MoEF (2018): The State of Indonesia's Forests 2018.

<sup>5</sup> WRI 2017

<sup>6</sup> Indonesia's third national communication to the UNFCCC (2017) reports this share to be 53 percent, but independent estimates based on observations of higher deforestation rates increase the contribution of deforestation and forest degradation to around two thirds.



in not only increased land conversion, but also forest degradation, reducing environmental benefits which further exacerbate poverty.

**4. Growth in the commodities sector continues, despite reduced global demand and government policies for low-carbon development.** Prices of key export commodities have fallen by 40 percent since their 2011 peak and the economic tailwinds of the past decade—rapid growth among Indonesia's key trading partners, particularly China, high commodity prices, and significant growth in consumption of an emerging middle class—have now become headwinds. The National Government's Mid-term Development Plan's (RPJMN 2015-2019) main objectives are human and community development, narrowing the income gap through increased productivity and poverty reduction measures, and increasing development in an environmentally sustainable manner, including engaging the private sector as an integral part of solutions. Nonetheless, despite a general downturn in agricultural commodity prices and its Nationally Determined Contribution (NDC) commitments, Indonesia's pulp and paper, and palm oil industries have grown substantially, as reflected by an expansion of land area under plantations and smallholder production, while a growth strategy based on intensification has not received strong support.

#### Sectoral and Institutional Context

**5. Indonesia's forests have global significance.** The country is home to the world's third-largest tropical forest (94 million ha of natural and planted forests, representing 52 percent of Indonesia's total land area). Indonesia's forests are ecologically unique<sup>7</sup> and one of the world's most important carbon sinks, sequestering and storing significant quantities of carbon in both above-ground biomass and below-ground peat soils. Much of Indonesia's forest resources are found within the Forest Area (*Kawasan Hutan*). Indonesia's natural ecosystems are under threat from inadequate management and weak governance, which erodes their potential to contribute to the country's growth and development, particularly for the 50 million people living in and around forests. Achieving sustainable management requires scalable solutions at the landscape level that balance the needs of multiple, and often competing, users.

**6. Roughly two-thirds of Indonesia's annual GHG emissions come from land use change and agriculture,** which has been primarily driven by the production of agricultural commodities, notably oil palm, and forest plantations. Reoccurring seasonal fires amplified during El Niño years, including on peatlands, significantly contribute to Indonesia's ranking among the world's top emitters. Indonesia is the largest emitter when considering the land sector alone. The 2015 fires resulted in 2.6 million ha of Indonesian land burned, an area four and half times the size of Bali. These fires resulted in daily emissions greater than those from the entire European Union and cost Indonesia's economy over US\$16 billion.<sup>8</sup> Such patterns will make it difficult for Indonesia to meet its emissions reduction targets and are likely to compound impacts on the poor as they stand to suffer most from the impacts of climate change.<sup>9</sup> **Peatlands, in particular, are critical for Indonesia both in terms of GHG emissions and economic development.** Peatlands in Indonesia total 13.8 million hectares, which are estimated to store between

<sup>7</sup> Indonesia's forests contain 17 percent of the world's bird species, 16 percent of reptiles and amphibians, 12 percent of mammals, and 10 percent of plants.

<sup>8</sup> World Bank (2016) The Cost of Fire - An Economic Analysis of Indonesia's 2015 Fire Crisis.

<sup>9</sup> While seasonal fires can significantly contribute to overall emissions, they are not the main cause of primary forest loss, as they tend to concentrate on areas that were previously converted (e.g. to palm oil concession) or shrubland areas, i.e. areas that are generally characterized by intensive, and often unsustainable, land use. During the 2019 fires season, 38% of fires occurred in APL areas (*areal penggunaan lain*, land for other purposes), which is land allocated to non-forestry purposes (but may still have significant tree cover and above-ground biomass) and 43% in production forests.



37 and 65 percent of the global tropical peat carbon pool.<sup>10</sup> Weak landscape governance and enforcement, including uncoordinated policy targets, overlapping institutional jurisdictions, and incoherent sectoral approaches, currently promotes unsustainable development across lowland deep peat areas (depth of more than three meters). The establishment of plantations, primarily for oil palm and pulpwood, are a major driver of deforestation on peatlands and by 2015 6.3 million hectares were converted to plantations. Furthermore, drained peatland emits more GHG emissions and increases fire incidence due to drier conditions and methods for clearing land. Simultaneously, palm oil and pulpwood are export commodities that generate foreign exchange and employment.

**7. The GOI has made significant international commitments to reduce Indonesia's GHG emissions, with a focus on REDD+<sup>11</sup> and other results-based initiatives as the principal mechanisms to address the land use and forestry sectors as the primary sources of emissions<sup>12</sup>.** At the Conference of Parties meeting in Paris in 2015, the GOI pledged through its NDC to reduce its GHG emissions by 41 percent by 2030 with international assistance (29 percent with its own resources) relative to a business-as-usual (BAU) scenario. For Indonesia to reach a target of 41 percent, emissions need to decrease by 1.081 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e), with 60 percent of this target to come from the forestry sector. According to recent analysis, Indonesia is on track to increase emissions from forests between 2020 and 2030 despite current policies, commitments, and plans<sup>13</sup>, underscoring the importance of maintaining ambition, enforcement, and interventions for sustainable land management.

**8. It is relevant to note that there has been a reduction in the rate of forest conversion since 2017, which has resulted in a lower rate of annual GHG emissions.** The estimated annual emissions from forest loss in 2017 and 2018 were 511 and 480 MtCO<sub>2</sub>e, respectively, compared to an average annual rate of 654 MtCO<sub>2</sub>e for the 2006-2016 period<sup>14</sup>, which is measurably less than Brazil and the DRC during the same period<sup>15</sup>. These improvements can likely be attributed to Government's actions to curb the rate of deforestation, notably through a nationwide moratorium on primary forest clearance for plantations and logging (made permanent in 2019 for a total area of 66 million of the Forest Area) as well as moratoria on peatland and primary forest conversion. These national actions will be further complemented by and expanded in Jambi, including through the support of this Project. The effective implementation of these, and other, policies will be critical to sustain this fledgling trend at the national level and in pioneering provinces, such as Jambi.

**9. The GOI requested assistance in improving the enabling environment for emission reductions (ERs) and accessing results-based finance to support the achievement of its NDC, National REDD+ Strategy, and broader green growth agenda.** As part of a programmatic approach, the World Bank's has committed over US\$100 million to date to support landscape-level shifts towards forest- and climate-smart land use in Indonesia. As part of this, the Forest Carbon Partnership Facility (FCPF) Readiness Fund provided two technical assistance grants, totaling US\$8.2 million, for the formulation of a policy

<sup>10</sup> World Bank (2019) Improving Governance of Indonesia's Peatlands and Other Lowland Ecosystems, draft technical report.

<sup>11</sup> REDD+ is defined as "Reducing Emissions from Deforestation and forest Degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks in developing countries".

<sup>12</sup> GOI (2016) Indonesia's Nationally Determined Contribution (NDC).

<sup>13</sup> Climate Action Tracker: <https://climateactiontracker.org/countries/indonesia/current-policy-projections/>

<sup>14</sup> WRI, 2019 (Global Forest Watch). Data based on estimated rates of forest cover loss, using a 30% tree cover density threshold. Even though this estimate does not include emissions from forest degradation, i.e. emissions linked forest thinning above the density threshold, it can be considered indicative of the overall pattern of emissions from forest areas.

<sup>15</sup> By contrast, many countries, notably in Africa, exhibited a significant increase in annual deforestation rates.



framework for REDD+<sup>16</sup> at the national level; the development of Measurement, Reporting, and Verification (MRV) systems, benefit sharing arrangements, and a Feedback and Grievance Redress Mechanism (FGRM); and broad-based implementation plan at the sub-national level. This led to the preparation of the preparation of an ER Program in East Kalimantan under the FCPF Carbon Fund. These complement the multitude of support provided by other development partners, including from Norway through a US\$1 billion bilateral engagement on REDD+, other bilateral donors (Australia, Germany, US, UK, and others), CSOs, and private sector companies. Building on this experience, the GOI further requested support from the **BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL)**<sup>17</sup> to replicate these activities in another province (Jambi) and with other sectors.

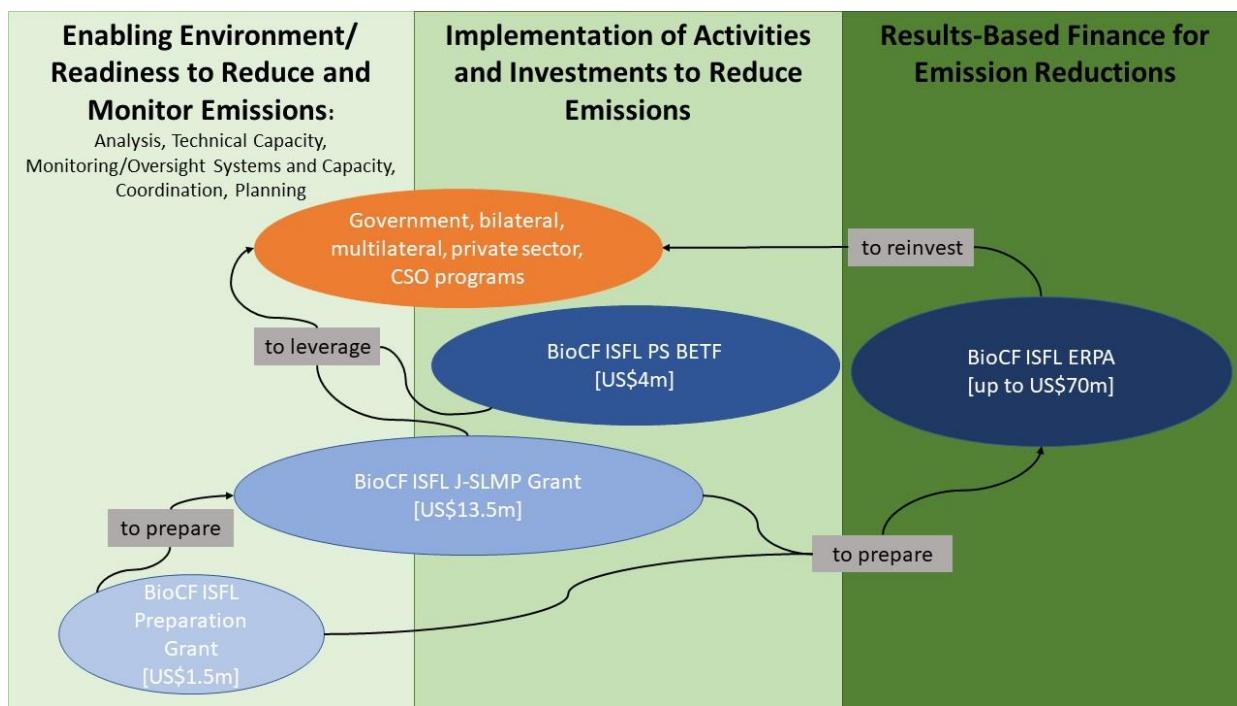
10. **The BioCF ISFL Indonesia Program includes phased financing through four proposed interrelated instruments:** (i) a US\$1.5 million preparation grant; (ii) a US\$13.5 million Jambi Sustainable Landscape Management Project (J-SLMP) implementation grant (this operation); (iii) a proposed US\$4 million Bank-executed operation to support private sector engagement for reducing emissions from land use in Jambi (PS BETF); and, (iv) a proposed Emission Reduction Purchase Agreement (ERPA), which is projected to include up to US\$70 million in results-based payments for verified ERs (see Figure 1 below).

11. **The activities described in this PAD relate to the second phase of BioCF ISFL Indonesia Program – grant financing of US\$13.5 million for the J-SLMP to implement improvements to the enabling environment, including cross-sectoral coordination and testing land use approaches to reduce emissions in Jambi.** The J-SLMP adopts a landscape approach and aims to implement a development strategy that is climate-smart, equitable, productive, and profitable at scale.

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<sup>16</sup> REDD+ is defined as “Reducing Emissions from Deforestation and forest Degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks in developing countries”

<sup>17</sup> Indonesia is one of five countries participating in the BioCF ISFL, which also includes Colombia, Ethiopia, Mexico, and Zambia. The BioCF ISFL seeks to reduce GHG emissions from the land sector through smarter land use planning, policies, and practices. Operating at the scale of a jurisdictional or regional landscape is central to the BioCF ISFL’s approach and requires national and sub-national governments consider the trade-offs and synergies between different land uses that may compete in a jurisdiction to identify integrated solutions that serve multiple objectives.



**Figure 1. Phases of BioCF ISFL financing to support and reward reducing emissions in Jambi.**

## C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

12. The program's proposed development objective is to improve sustainable landscape management that reduces land-based GHG emissions in selected sites in Jambi.

### Key Results

13. The achievements of the PDO will be measured through the following indicators:

- Land area under sustainable land management and/or restoration practices (ha)
- Net GHG emission reductions in Jambi (MtCO<sub>2</sub>e)

## D. Project Description

14. The J-SLMP and forthcoming ER Program are consistent with the vision Jambi has articulated in the GGP. The J-SLMP and ER Program form a critical part of the GGP given that they are a strategic umbrella for multi-sector, multi-stakeholder interventions across land uses in Jambi. Together, they contribute to a transformation in how landscapes are managed in Jambi to deliver multiple benefits such as climate change mitigation, improved livelihoods and environmental services, and strengthened coordination and partnerships with key stakeholders. Specifically, the J-SLMP fosters equitable and low-carbon development by addressing drivers of emissions, deforestation, and land degradation primarily through strengthening policies and institutions and implementing sustainable land management approaches. All activities identified have been prioritized based on their potential for improving



livelihoods for communities and smallholders and generating ERs and will be primarily implemented by government and villages, intersecting with activities by the private sector and CSOs.

15. **In order to achieve the PDO, the J-SLMP and its activities have been designed to address identified gaps and to scale successful approaches** throughout Jambi to maximize available Project financing and take advantage of the strengths of the World Bank, particularly with regards to its engagement on land use in Indonesia. As part of this process, the GOI, including national and provincial governments, conducted an analysis of activities that would support the PDO. These were further consulted with stakeholders for the J-SLMP and the World Bank and prioritized based on their expected impacts. Specifically, activities were prioritized based on five criteria: 1) expected impact on reducing emissions; 2) geographic prioritization given the landscape in Jambi (including a spatial planning approach); 3) livelihood impacts for communities and smallholders; 4) complementarity and ability to leverage other programs and initiatives being implemented by government, CSOs, development partners, communities, and the private sector; and 5) the unique value that the World Bank Group provides on sustainable land use, particularly as it relates to governance, policy, and regulations.

16. **Below is a summary of the three Project components for J-SLMP.**

#### **Component 1. Strengthening Policy and Institutions (US\$2.5 million)**

17. **The objective of Component 1 is to enhance effective land management regulation and enforcement in Jambi** with a focus on harmonizing policies and approaches that are critical for managing emissions from land use, including peat management and fire prevention and management. This component is particularly aimed at addressing weak landscape governance, a key underlying driver of emissions. Specific gaps in governance that will be addressed by the Project include those related to: consistent approaches and tools (including spatially explicit information) for peatland, forest, and fire management; coordinated enforcement and implementation of sustainable land use approaches; transparent monitoring of changes and social issues related to land use; and stakeholder capacity to engage and manage their natural resources sustainably. Furthermore, this component supports national and provincial governments, communities, and other stakeholders to effectively achieve the objectives of the Project. This component will be implemented through technical assistance and capacity building activities.

18. **Sub-component 1.1 provides support for institutional strengthening and cross-sectoral coordination to improve action to address primary drivers of emissions from land use in Jambi.** The following activities have been identified to provide targeted support to improve coordination within and across sectors:

- a) The *Sekber*, a joint secretariat in Jambi, includes membership from government, private sector, civil society, and community groups. Currently, the *Sekber*'s primary focus is managing forest resources, but the *Sekber* has the potential to coordinate across other land use issues to enhance synergies between key stakeholders. The Project supports expanding and enhancing the *Sekber*'s role, for example to include management of and coordination for peatland, fire, and the J-SLMP and forthcoming BioCF ISFL ER Program.
- b) Given that degradation and deforestation in High Conservation Value (HCV) areas are major contributors to emissions, conservation of natural habitat is a priority of the J-SLMP. This approach will have positive impacts on biodiversity and in order to maximize these, the Project supports the assessment of biodiversity in HCV, High Carbon Stock (HCS), and Essential Ecosystem Areas (*Kawasan Ekosistem Esensial* or KEE) areas.



Subsequently, capacity building is provided for relevant stakeholders in priority HCV, HCS, or KEE areas, including with *adat* communities<sup>18</sup>, to improve institutions and coordination for biodiversity conservation.

- c) Jambi's Corporate Social Responsibility (CSR) Forum includes membership from critical stakeholders for land use, including banks and companies involved in commodity value chains. In coordination with the provincial government, the members of the Forum provide funding for various sustainable development efforts in Jambi, including education, health, infrastructure, environmental sustainability, job creation, and cultural and religious issues. The J-SLMP provides support for the CSR Forum to develop and implement plans that directly contribute to ERs in the province, establish an information portal to monitor activities, and share lessons on the integration of ER approaches in private sector activities.

**19. Sub-component 1.2 supports improvements to the *enabling environment for an ER Program*.**

Jambi plans to develop an ER Program for results-based payments for verified ERs. The following activities create conditions and a framework to prepare for an ER Program that meets BioCF ISFL technical requirements:

- a) GHG emissions accounting for Agriculture, Forestry, and Other Land Use (AFOLU) and monitoring and reporting of land and forest resources changes, including a functioning MRV system;
- b) Development of a Benefit Sharing Plan (BSP);
- c) Environmental and social risk management; and
- d) Analysis of non-carbon benefits.

**20. Finally, sub-component 1.3 supports the consolidation and strengthening of *policies and regulations* for sustainable land use, including at national and provincial levels.** Particular focus has been given to policies and regulations for fire, peatland management and private sector engagement in order to effectively address drivers of emissions, improve livelihood opportunities for land users, and ensure the long-term sustainability of approaches in Jambi. Specific activities include support for a governor regulation (*Pergub*) for peatland management, including a permanent moratorium on peatland conversion and a district regulation (*Perup*) on fire management. The GOI has also prioritized addressing critical regulatory gaps that can ultimately hinder successful implementation of broader initiatives, including a provincial regulation (*Perda*) for the legal recognition of *adat* communities, accelerating the OneMap policy in Jambi, and the establishment of an Environmental Management and Protection Plan (RPPLH). Finally, the Project supports strengthening the regulatory environment to better enable the private sector to implement sustainable land use practices.

**Component 2. Implementing Sustainable Land Management (US\$8.5 million)**

**21. The objective of Component 2 is to integrate forest and land management in Jambi, particularly through sustainable forest management, agricultural intensification and diversification, conservation and restoration, and value chain sustainability.** As with Component 1, peat and fire management, including through private sector engagement, are priorities. Component 2 is supported primarily through technical assistance and capacity building primarily aimed at smallholder farmers. Together with Component 1, these activities aim to address drivers of emissions, including weak governance, by

<sup>18</sup> *Adat Community/Masyarakat Adat* refers to communities that inhabited an area in heredity due to a strong relation with ancestor, land, and resources in their area, even though there are no clear boundaries, organization, or written law.



providing resources to test sustainable land use management practices and enforcement in Jambi in support of the Project's objectives. Component 2, in particular, aims to engage the private sector (both smallholders and companies) directly to leverage expertise and resources for sustainable land management, including through partnerships.

**22. Sub-component 2.1 provides support for *integrated forest and land management* through the consolidated and coordinated management of forest and land resources, targeting peatland and fire as key sources of emissions.** Engagement of government, communities, private sector, and civil society are central to achieving this objective. Specific activities include:

- a) *Sustainable forest management* to support fire management (through early detection, equipment, and harmonization of fire management plans) and public and private collaboration on land use issues (through coordinated monitoring, enforcement, and support for addressing land conflicts); and
- b) *Conservation and restoration* activities implemented by the government (at various levels) to reduce emissions, working with smallholders, communities and plantations in or near HCV areas (i.e. forests, peat, and mangroves). In particular, restoration and management of priority peatlands, promotion of alternative crops in degraded areas, and enabling conservation partnerships are approaches that are likely to have significant impacts on ER targets.

**23. Sub-component 2.2 supports *private sector partnerships for improved forest and land management* which leverage private sector funding, investment and expertise to support GHG emissions reductions in Jambi.** Specifically, these activities aim to create engagement models and mechanisms that could be replicated and scaled up in collaboration with private sector actors. Specific activities include:

- a) *Agriculture, plantation, and agroforestry intensification and diversification* that target smallholders to facilitate productivity enhancements to reduce emissions in priority areas (e.g., HCV areas, peatland, primary forest borders, etc.), including through capacity building, agroforestry, and intercropping; and
- b) *Value chain sustainability* that involves private sector actors including large corporates who are potential change agents, through the coordination of stakeholders in key value chains and support for standards that promote sustainable practices such as the Indonesian Sustainable Palm Oil (ISPO) and Roundtable on Sustainable Palm Oil (RSPO) certifications, as well as other sustainability standards, including a potential new standard for rubber.

**24. To complement the grant, additional activities are envisioned that would support smallholder replanting and training, as well as private sector/community engagement focused on ER activities in high risk areas.**

### **Component 3. Project Management and Monitoring and Evaluation (US\$2.5 million)**

**25. Component 3 aims to support national and provincial-level Project coordination and management,** including preparation of Annual Work Plans and Budgets (AWPBs); fiduciary aspects (Financial Management (FM) and procurement); human resource management; safeguards compliance



monitoring; monitoring and evaluation (M&E); knowledge management and sharing; and the implementation of strategies for communication and stakeholder engagement.

## E. Implementation

### Institutional and Implementation Arrangements

**26. The GOI has established or identified the following bodies to support the implementation of the J-SLMP:**

- a) A *National Steering Committee (NSC)* responsible for overall policy guidance, chaired by the Secretary General of the MoEF and including representation from DG-CC, Director General of Natural Resources (KSDAE), Bappenas, MoF, Ministry of Home Affairs (MoHA), Ministry of Agriculture (MoA), and the Provincial Government of Jambi. The Climate Change Mitigation Directorate (MPI) under DG-CC is the Secretary of the NSC.
- b) At the national level, the MPI is the Executing Agency for the Project, and works in close coordination with other Directorates of DG-CC as implementing agencies, including Directorate of Sectoral and Regional Resources Mobilization (Dit. M2SR) and Directorate of Greenhouse Gases Inventory and MRV (Dit. IGRKMPV), as well as the Directorate of Plantation Protection (DG of Plantation) of MoA. DG-CC coordinates with the Jambi Provincial Agency led by Bappeda in delivering the Project's components. A national-level *Project Management Unit (NPMU)* responsible for the day-to-day operations of the J-SLMP will be established under MPI and supported by government staff and consultants from implementing agencies such as MoA. The PMU will have the expertise required to manage the day-to-day needs of the Project, including in safeguards, financial management, procurement, and technical issues.
- c) A sub-national PMU will be established in Jambi and will be responsible for the day-to-day Project implementation. The sub-national PMU will be under Bappeda, coordinated by a senior Bappeda expert. Bappeda will work in close coordination with the Forestry Service (Dishut), Environmental Service (DisLH), Estate Plantation Service (Disbun), and Agriculture Service Agency (*Dinas Tanaman Pangan, Hortikultura, dan Peternakan*) in Jambi to implement the Project's activities. Specifically, the sub-national PMU will be responsible for social and environment safeguards-related tasks and coordinating Project implementation with four KPHs, four National Parks and Jambi Natural Resources Conservation Agency (BKSDA).
- d) A National Technical Committee (NTC) provides technical guidance on reducing emissions from land use to the NPMU and sub-national PMU, and is led by the Director of MPI, with representation from Directors of: Dit. IGRK, Sectoral and Regional Resources Mobilization (Dit. M2SR under DG-CC, MoEF); Forest Resource Inventory (ISDH under DG of Forest and Environmental Planning, MoEF); Conservation Area (KK under DG of Ecosystem and Natural Resources Conservation, MoEF); International Cooperation Bureau (KLN); Planning Bureau (Secretariat General of MoEF); Bappenas; Estate Crops Protection (under MoA); DG of Risk and Funding Management (DJPPR under MoF); Regional Development DG (under MoHA); and Jambi Bappeda.



- e) A Provincial Technical Committee (PTC) provides guidance and recommendations to the sub-national PMU on technical issues related to the ER Program in Jambi, M&E coordination, social and environmental safeguards, and benefit sharing. The PTC is led by the Provincial Secretary of Bappeda, with membership from relevant agencies (Dishut, DisLH, Disun, and Distan), relevant Integrated Service Units (UPTs, including Regional Integrated Service Unit (UPTD), Natural Resource Conservation Office (BKSDA), National Parks, and KPHs), CSOs, and universities.
- f) A *joint secretariat (Sekber)* is an existing multi-stakeholder forum in Jambi for the planning and implementation of REDD+ will expand its role to include a role in implementation of the J-SLMP, using support from the Project. This will be formalized through a Governor decision letter that is currently being processed. The *Sekber* sits outside of government, so it has more flexibility in supporting and monitoring multi-level, multi-sector, and multi-stakeholder coordination and implementation of the Project.
- g) Each relevant implementing agency will have a *Project Implementation Unit (PIU)* to manage the implementation of specific activities.

27. **The J-SLMP utilizes a comprehensive landscape approach to reducing emissions and improving livelihoods and the multi-sectoral implementation arrangements for the Project similarly reflect this.** In addition to DG-CC, the MoA is the main authority in charge for agriculture development as part of the J-SLMP. The Development Planning Ministry (Bappenas) is involved in the implementation arrangements for the J-SLMP due to its essential role in overseeing the synergy between the forest and agriculture sectors, as well as between different levels of government (District, Province, and Central). Collectively, all are responsible for providing guidance, performing supervision and ensuring alignment of the Project with the national policy framework.

28. **At the provincial level, implementation of the J-SLMP is led by Bappeda in coordination with the Forestry Service (Dishut), Environmental Service (DisLH), and Estate Plantation Service (Disbun), with the senior expert of Bappeda acting as coordinator.** The *Sekber*, a multi-stakeholder forum, closely supports Project implementation as the participating stakeholders have significant experience in planning, managing, and implementing ER-related projects. The *Sekber* has the potential to enhance its role in the implementation of J-SLMP by providing support to government institutions in the province as well as by liaising with different stakeholders at both the national and provincial levels. Currently, the *Sekber* is incorporated under Forestry Service (*Dinas Kehutanan*) Decision Letter SK Number 96/Kota/Dishut-5.3/IV/2017, on Forest Resource Management. The legal basis of the *Sekber* is expected to be strengthened with a forthcoming Governor Decision letter. The *Sekber* will develop dedicated units for specific topics, such as peatland management, fire management, and technical and coordination support for the J-SLMP and forthcoming ER Program, with support from the Project.

29. **Each respective district, city, and village government is responsible for implementation of the Project in its jurisdiction.** Since *Bappeda* is leading the implementation of the J-SLMP in the province with the Forestry Service (Dishut) at the provincial level with its authority over forest management unit (KPHs), Environmental Service (DisLH) with its authority in district level, as well as Estate Plantation Service (Disbun), coordination is based on the existing government coordination mechanism. The utilization of the existing structure with support from an ad hoc entity, such as *Sekber*, simplifies and strengthens the coordination mechanism for the Project implementation.



30. **To ensure effective coordination among the various implementing agencies, an NSC represents the interests of the relevant ministries of the national government and the Governor of Jambi.** Other members of the Steering Committee include development partners and civil society. This high-level committee (membership is DGs) is chaired by the MoEF, and the World Bank, and selected partner agencies are observers. Steering Committee meetings are held at least once a year to evaluate activities and progress.

#### F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Jambi Province is one of Indonesia's most forested provinces, home to significant biodiversity, and among Indonesia's most proactive provinces in terms of preparing for results-based finance for ERs. Jambi is located on the east coast of central Sumatra, covering 5 million ha of land. The province is divided into nine districts and two cities. Jambi's population is around 3.4 million, of which 0.6 million live in the provincial capital, Kota Jambi. The provincial economy is dominated by primary production such as oil palm and rubber. The poverty level is approximately 8.4 percent, lower than the national average of 11.3 percent, with higher levels in urban areas. Jambi consists of highland forest areas in the west, lowlands in the center, and peatlands and coastal mangrove forests in the east. Around 25 percent, or 1.2 million hectares, is natural forest. Overall, 87 percent of Jambi's forest (2.1 million hectares) is located within the designated Forest Area (Kawasan Hutan), which includes four national parks (Kerinci Seblat, Berbak, Bukit Tiga Puluh, and Bukit Dua Belas) as well as areas that are designated for forestry uses (including logging concessions (PHPs), industrial timber plantation concessions (HTI), conservation areas, and several types of community forestry concessions). Jambi is also home to a number of protected and endangered species. Important ecological zones include mangrove forests, coastal forests, lowland forests, swamp and peatlands, and montane forests. Jambi's forests play an important role in supporting traditional forest-and Adat communities, including the Talang Mamak, Orang Rimba, and Melayu, and several other indigenous groups. Conflict typologies in Jambi Province can be generally categorized as follows: a) overlapping land claims and encroachments in forest areas especially in the upstream (conservation) zone, b) conflict with palm oil and industrial timber plantations due to overlapping land claims and perceptions of inequitable benefit sharing in the middle (production) zone and c) a combination of inter-communal conflicts and conflict with concession companies, mostly palm oil in the east (distribution) zone. Such conflicts typically involve concession holders, KPHs, national park managers, local communities including Adat communities as well as in-migrants from other regions and a combination of these stakeholders.

#### G. Environmental and Social Safeguards Specialists on the Team

Krisnan Pitradjaja Isomartana, Environmental Specialist

Fajar Argo Djati, Social Specialist

Jaya Perana Ketaren, Environmental Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>This policy is triggered given the need to consider the strategic environmental and social implications of the J-SLMP. The category B classification under OP 4.01 is based on the fact that the program is not directly financing large-scale, unprecedented physical investments that imply highly negative environmental or social impacts. Payment schemes supported by the program are based on small-scale investments dispersed throughout the Jambi province. Environmental impacts are expected to be positive as the goal of the program is to reduce emissions of CO2 through reduction of deforestation and land degradation with additional benefits expected to globally important biodiversity. Potential negative environmental impacts are primarily related to intensifying agricultural production or displacement to other regions of the country ("leakage") because of the increased enforcement or land-based regulations that could be put in place. Other environmental impacts could be related to pest management, forestry, and land-based investments in peat management / restoration that could include civil works with environment, health and safety issues that need to be considered in compliance with Bank policy and EH&amp;S guidelines. Given the limited institutional capacities of the implementing agencies for law enforcement and sustainable management of land and natural resources, there is the potential for lost opportunity for enhancing Biodiversity Important Areas or natural habitats. A mitigation framework is provided in the ESMIF to address these potential negative environmental impacts, including such potential loss of opportunity.</p> <p>The project is a Category B with the overall environmental and social risks being assessed as substantial. The project is limited to financing pre-investment activities for the development of a forthcoming province-wide Emission Reduction (ER)</p>



program. The latter will be processed separately from J-SLMP. Potential environmental risks of these pre-investment activities are predictable, temporary, reversible, low to medium in magnitude and site-specific with low probability of serious adverse effects to human health.

Social impacts are expected to be positive from reduced land degradation and flooding risk (in peatlands), lower pollution levels from decreased fires and improved air quality, as well as increased opportunities for nature-based production and tourism income. Potential negative social impacts that need to be considered as part of the safeguards assessments include the risk of displacing incomes from enforcement of forest policies, establishment of protected areas, or reduced income from changes in support to cash crops that communities rely on but are counter to the J-SLMP objectives. There may be additional concerns of stakeholders regarding lack of equitable access to benefits amongst communities and individuals especially those residing in remote areas or those without formal recognition of their land rights/claims.

The project's ESMF and its associated frameworks, including the Indigenous Peoples Planning Framework (IPPF), Resettlement Planning Framework (RPF) and Process Framework (PF), and Feedback and Grievance Redress Mechanism (FGRM) have been prepared to address specific investments under the pre-investment grant.

The safeguards assessments have been and will continue to be undertaken through a broad-based consultative approach with stakeholders that include participating sub-national government agencies, civil society organizations, community representatives, including Indigenous Peoples, private sector stakeholders.

Future results-based ER Program will build on these framework instruments, including capacity strengthening measures financed under the pre-investment grant. Environmental and Social analysis of the forthcoming ER Program will continue to be



		undertaken as part of the SESA process which is expected to conclude prior to the Emission Reductions Purchase Agreement (ERPA) signing.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is triggered as the Project will have implications on natural habitat conservation, restoration, and sustainable management. The Project aims to maintain and restore natural habitats and facilitate positive ecological impacts that include, among others: restored and better maintained biodiversity, environmental services and ecosystems; reduced deforestation and increased carbon uptake; reduced degraded land; better protected forest areas and wildlife habitats; decreased fire hotspots; enhanced ecosystems; reduced GHG emissions; reduced possible risks of changes in physical and chemical properties of the soil; more appropriate measures for post-mining reclamation and revegetation; better assurance for reclamation based on good practices; and enhanced ecosystem sustainability. In addition, the Project includes activities that specifically target the enhancement of biodiversity through capacity building for biodiversity and habitat protection in HCV, HCS, and KEE areas, and promote conservation partnerships between communities and national parks that aim to directly improve the management of resources to conserve biodiversity. Other activities that will contribute to biodiversity conservation include peatland and forest restoration and management activities (revegetation using native species, NTFP investments, beekeeping and ecotourism) that rely on and promote biodiversity conservation. KPHs will also be supported through sustainable forest and fire management approaches. Such measures, given KPHs' central role in forest management, will contribute to the management and rehabilitation of forest ecosystems.
Natural Habitats OP/BP 4.04	Yes	The SESA and ESMF preparation have discussed implications on natural habitats and biodiversity. Productive activities, and where they are focused as a result of a REDD+ program, could have long-term land-use implications and intensify production at



		expense of remnant natural habitats, among other issues that need to be considered. Enforcement measures meant to protect natural habitats (planned or implemented) can also accelerate or induce land conversion in anticipation of these measures. The SESA considers impacts to natural habitats as part of the options analysis and the ESMF includes provisions at the pertinent levels (policies, project, or activities) that may mitigate impacts, and/or improve outcomes for natural habitats. Biodiversity management framework is also addressed in the ESMF to support biodiversity enhancement.
Forests OP/BP 4.36	Yes	This policy is triggered as the nature of a REDD+ project is strongly focused on forest conservation, restoration, and sustainable management. There are several levels of interventions that are considered in REDD+ programs that may have positive or negative implications for forest-dwelling peoples (including Indigenous Peoples) depending on how they are designed and implemented. Plantation or reforestation activities that would be considered under any results-based payment schemes supported by the project will have to follow Bank policy in regard to certification or in the case of small-holders, time-bound action plans for achieving such standards. Forestry enforcement, concession, management, and protected area establishment would also need to consider the social and environmental implications as part of the SESA process and mitigation measures included in the ESMF (or Process Framework) as pertinent for limited access to forest resources. Guidance on the best practices in plantation development and maintenance is part of the ESMF.
Pest Management OP 4.09	Yes	Reforestation and plantation activities that are linked to the project may require pest management under the principle of integrated pest management (IPM). The ESMF will include measures that comply with Bank policy regarding storage, use, application, and disposal of any pesticides needed for project outcomes. Given this is a results-based payment system, the pertinent legal, institutional, and operational capacities of the country will be considered and any strengthening needed will be



		considered and included in the ESMF potentially as a Pest Management Plan if warranted.
Physical Cultural Resources OP/BP 4.11	Yes	<p>Forested areas and ecosystems that are a focus of the project may have cultural importance or hold physical cultural resources that need to be considered as part of project design and implementation. The ESMF will include measures to evaluate resources, consult with pertinent cultural resources authorities in compliance with national laws and regulations, and involve stakeholders at the ground-level where project activities are implemented. Any construction or other physical activities that could be part of the project (as relates to institutional support or sub-project investments that could qualify as part of the payment scheme such as canal blocking or earth moving) will also need to follow ESMF provisions to consider chance find potential, the chance find procedure will be included accordingly.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>This policy is triggered given that the Jambi is a home to several groups of Indigenous Peoples as considered by both the Bank policy criteria and under national law. Jambi's forests play an important role in supporting traditional forest dependent communities, including the Talang Mamak, Orang Rimba, and Melayu.</p> <p>In addition, other forest-dependent communities who may not fall under Indigenous Peoples category, including in-migrants who are dependent on forest resources are also existent in the area.</p> <p>The Project preparation has included consultations specific to the requirements and needs of Indigenous Peoples in the jurisdiction. An IPPF has been prepared to guide consultations and management of risks and impacts on Indigenous Peoples.</p> <p>Given the extensive geographic scope and the framework approach, consultations have been based on the potential types and nature of the Project's impacts and risks, as well as accessibility of these stakeholders. As part of the Project's preparation and safeguards processes, an identification of stakeholders has been included in the initial draft</p>



SESA, which will be finalized prior to the ERPA appraisal.

In the contexts of land tenure recognition, there may be potential exclusion of Indigenous communities and vulnerable groups from the Project due to lack of legal personality or lack of ability to demonstrate their tenure claims. Some communities may not fulfil the GOI's framework on Masyarakat Hukum Adat or lack of clearly codified rights and hence may not be fully eligible to social forestry and land tenure schemes.

In responding to such potential risks, J-SLMP under sub-component 2.1 will support the effectiveness of the GOI's Social Forestry Schemes with regards to licensing, institutional coordination, Adat community recognition and technical support to target communities. In addition, the project will finance community facilitation as well as support regulatory improvement to help address such potential exclusion issues.

Furthermore, as part of future benefit sharing arrangements for the Emission Reduction (ER) Program, efforts will be made to address access barriers to allow Indigenous Peoples and forest dependent communities to access the ER Program benefits. The development of the ER Program's Benefit Sharing Plan (BSP) will be supported by J-SLMP.

This policy is triggered to acknowledge potential access restriction risks as result from improved management of land and natural resources and conservation, particularly in forest areas and peatlands. Resettlement risks are considered very remote as the GOI commits to ensuring amicable conflict resolution for tenure settlements and at the same time, seeks to facilitate social forestry schemes to enable forest dependent communities to obtain tenure security. However, there could be residual risks following tenure dispute settlements which may result in the state's decision to renounce one's claims over the claimed state lands (C.1 and 2). A Resettlement Policy Framework, which also includes

Involuntary Resettlement OP/BP 4.12

Yes



a Process Framework has been prepared under J-SLMP. These frameworks outline required processes and consultations in the event such resettlement and access restriction risks are envisaged.

Livelihoods impacts are considered positive across Project sub-components. However, there may be livelihood implications following imposition of zero-burning policy (C.2). Such potential risks have been assessed as part of the initial SESA process and relevant measures have been incorporated in the RPF and PF documents.

A grievance mechanism will be included in the project to ensure that stakeholders have access to recourse if provisions of the ESMF are not appropriately implemented or other grievances arise that need to be addressed as part of project implementation.

Safety of Dams OP/BP 4.37	No	This policy is not triggered as there are no works or other investments in the project that depend on a dam and its operation.
Projects on International Waterways OP/BP 7.50	No	The project will not support any activities linked to international waterways as defined by the policy.
Projects in Disputed Areas OP/BP 7.60	No	The project will not cover any area considered a disputed area per policy definition.

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The J-SLMP will finance activities that focus on the enabling environment for a future ER Program, which includes policy and institutional strengthening as well as support to sustainable land management through select pilot investments. The Project's investments are well aligned with the overall design of the forthcoming provincial ER Program which is oriented towards addressing key drivers of deforestation and forest degradation in Jambi Province. Such drivers will be further assessed as part of the on-going preparation of the Project. Since this Project will finance both technical assistance aspects to support the preparation of the province's ER Program as well as physical investments to complement the ER Program separately, assessments of environmental and social risks will therefore be a sequential process.



The J-SLMP is expected to generate overall positive environmental impacts at global, national, and local levels. This will be achieved through a reduction of land-based carbon emissions, increased carbon storage, reduced land degradation, and protection of globally threatened ecosystems and endemic biodiversity. Small-scale negative impacts may result from the support for sustainable production activities under this Project that provides the grant financing for pre-investment activities prior to the planned ER Program. ESMF has been prepared to mitigate those potential impacts in the forms of code of practice for managing potential impacts from small scale construction, plantation activities and pest management, and also the provision of biodiversity management framework.

A framework approach was adopted since specific locations and sub-component activities will be decided during ERP implementation. The ESMF adopted a risk management hierarchy which, first and foremost, avoids adverse impacts whenever feasible. In circumstances where risks and impacts are inevitable and/or foreseen, mobilization of resources for mitigation measures will be commensurate to the risk levels and adapted as they emerge and/or change during implementation.

A social assessment has been undertaken to address proposed investments under the pre-investment grant and will be continued, as part of the SESA process, during J-SLMP implementation. J-SLMP investments will involve multiple stakeholders across important sectors in land and natural resource management, and hence, presents institutional risks associated with fragmented coordination and weak capacities to address potential social risks (i.e., managing conflicts/disputes, lack of community participation, lack of access and inclusion of vulnerable groups to benefit from the Project, etc.).

As part of the SESA process, a series of stakeholder consultations have been conducted since November 2017. Preliminary results of the assessment indicate the following potential risks of the Project: a) failures to reach inter-sectoral consensus particularly with regards to resolution of tenure conflicts in forest and non-forest lands, leading to uncertainties and unmet community expectations (C.1), inequitable benefit sharing distribution, particularly at the expense of communities without recognizable land claims (C.1), lack of community participation due to high-transaction costs to switch to sustainable practices (C.1 and 2), access restrictions and restrictions on land uses resulting from determination of forest management blocks and reforestation under sustainable forest management (C.2). Resettlement risks are considered very remote as the GOI commits to ensuring amicable conflict resolution and at the same time, seeks to facilitate social forestry schemes to enable forest dependent peoples to obtain tenure security. In addition, there could be issues stemming from potential exclusion of Indigenous communities and vulnerable groups from the Project due to lack of legal personality and/or recognizable tenure claims. Livelihoods impacts are considered positive across Project sub-components. However, there may be livelihood implications following imposition of zero-burning policy (C.2) and community and health safety risks for fire prevention and suppression (C.2).

In the contexts of land tenure recognition, some communities may not fulfil the GOI's framework on Masyarakat Hukum Adat or lack of clearly codified rights and hence may not be fully eligible to social forestry and land tenure schemes, including Hutan Adat rights (C.1). These may have implications on community expectations and the Project's ability to address disputes and conflicts. In addition, sub-national capacities to undertake such recognition processes in a transparent and participatory manner remains to be further assessed.

Other relevant aspects that have also been considered under the risk assessment also include: gender inequality in land use rights and access to natural resources which may prevent women from fully accessing and participating in the Project; lack of participation amongst vulnerable groups, including women and youth due to limited understanding,



information or incentives to participate in planning and decision-making processes; lack of access to agricultural technology, sustainable markets and post harvesting technology for forest commodities; and potential lack of trust for forest partnerships particularly in areas with history of conflicts.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Landscape-scale impacts are also expected to be positive. Risks of displacement of emissions (and consequent loss of forest) to other provinces or nearby countries related to J-SLMP were assessed as low due to the limited scale of financing and nature of the investments (i.e. technical assistance and small scale pilots). However, such risks may potentially increase following the launch of the ER Program due to an expanded scope and activities, combined with law enforcement as part of the Jambi Government's commitments to address drivers of deforestation and forest degradation.

A preliminary assessment of carbon displacement/leakage risks has been initiated as part of the Strategic Environmental and Social Assessment (SESA) which will inform the development and choice of alternatives in the ER Program. The SESA will be refined and finalized during J-SLMP implementation and prior to the ER Program appraisal. Some displacement risks considered include: a) expansion of oil palm plantations and forest clearing to other administrative jurisdictions due to more stringent enforcement of moratorium and licensing. Since the scope of the ER Program is province wide, such risks may occur along the province borders or other provinces with more lax regulations and control; b) related to point a, encroachment risks to other jurisdictions following improved forest management and supervision.

In addressing the above risks, ensuring consistent enforcement of forest protection and peat moratorium by the Central Government in collaboration with sub-national governments will be instrumental. In addition, improvements in the national forest monitoring system, and ensuring capacities and political will exist to enforce laws and regulations at the sub-national level will serve as the building block for management of displacement risks envisaged under the ER Program. The forthcoming ER Program design with support from J-SLMP will incorporate measures to consider this through monitoring at a landscape scale. A dialogue however will be maintained with the GOI regarding appropriate measures if monitoring indicates displacement as part of the reporting process. During a technical consultation with provincial development agency (Bappeda) of Jambi province, MoEF and other stakeholders in 2019 this issue was discussed and there are several inter-provincial agreements and cooperation that could help addressing this aspect.

Appropriate measures to mitigate risks related to displacement/leakages, which emphasize institutional strengthening, down to the village level, and inter-sectoral coordination on aspects related to sustainable natural resource management will be supported as part of the J-SLMP . Strategies for mitigating risks of displacement/leakages include preparation of HCV management and guidance regulations, enforcement of forest and peat moratorium policies, such as a more stringent procedure for licensing of activities in forest areas, design of incentive policies for the implementation of green development, community empowerment for forest and land fire response.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Under any circumstance, potentially high-risk activities such as tenure conflict settlement will not be carried until certain conditions "readiness criteria" i.e. the legal framework, mediation and institutional capacities, consultation and institutional collaboration are in place. Such provisions have been incorporated into the ESMF.



4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Key safeguards instruments, covering an Environmental and Social Management Framework (ESMF), Resettlement Planning Framework (RPF) and Process Framework (PF) to address access restrictions, Indigenous Peoples Planning Framework (IPPF) and Feedback and Grievance Redress Mechanism (FGRM) have been prepared by MoEF to address safeguards policy requirements. Furthermore, a Strategic Environment and Social Assessment (SESA) has been initiated to guide policy development and design of the future ER Program to ensure that environmental and social considerations are mainstreamed.

Key safeguards risks related to potential impacts from physical pre-investment activities and lack of capacity in preparing and implementing safeguards instruments during J-SLMP implementation, both at the provincial and district levels have been identified. The ESMF contains necessary policies, procedures and technical guidance in addressing those aspects. Some of the identified challenges for safeguards are related to capacity and resource constraints which affect oversight ability amongst implementing entities, capacities for community engagement and consultations, mediation in the context of tenure conflict settlements, incentives for compliance and reporting of safeguards performance guided by the ESMF, lack of awareness of the broader ER Program, and safeguards requirements at the local and community levels.

Capacity building on the SESA and ESMF has also been identified and budgeted as part of the Project activities under Component 1 and 2 on Sustainable Landscape Management and Component 3 on Project Management and Monitoring and Evaluation. A safeguards committee at the provincial level and safeguards PICs for each implementing agency at the district level have been proposed (TKRM or Tim Kerja Risk Management) to lead the management of environment and social aspects of the project with oversight from the Provincial SEKDA and/or BAPPEDA.

A Project-specific FGRM is being developed to address direct investments under J-SLMP and will be enhanced to address the broader ER Program. Such measures will be part of the technical assistance support by J-SLMP. The project's FGRM is based on the existing national and provincial systems to address grievances and capture citizens' feedback that already exist at the village, provincial, and national levels. Operations of such mechanisms will be monitored and coordinated by MoEF and Jambi Provincial SEKDA and/or BAPPEDA with technical support and oversight from the safeguards committee and assigned specialists.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The interim SESA and ESMF have been consulted and will continue to be improved as the stakeholder consultation process is iterative. Initial consultations took place from November 2017 until 2018 through a series of focus group discussions (FGDs) on drivers of degradation and deforestation, ER Program activities, and the benefit sharing mechanism. A series of FGDs at the village level in select villages was undertaken from April 19-20, 2019, followed by a district level consultation in Tanjung Jabung Timur on May 23, 2019. A provincial level consultation was undertaken on December 5, 2019. These consultations were attended by government officials, private sector, CSOs, academic sector, and communities, including Indigenous Peoples representatives. Selection of these representatives was based on their potential roles and responsibilities as part of the J-SLMP and was intended to foster their buy-in. Village-level consultations will be part of J-SLMP activities and these will target affected villages and communities, including Indigenous Peoples. Such consultations will be part of the development of the ER Program's Benefit Sharing Plan, which will guide community participation, roles and responsibilities, and entitlements. Community consultations and engagement will remain an iterative process and will be guided by the principles of meaningful and free, prior and



informed consultations as per-the ESMF and IPPF.

J-SLMP has also benefited from the earlier assessments and lessons learned through the FCPF ER Program in East Kalimantan and also from extensive engagements with government agencies such Bappeda; Provincial Environmental, Forestry, Agriculture, and Plantation Agencies; private sector (implementation of HCV, RSPO); and the direct involvement of CSOs at the community level such as from WWF, TNC, Warsi, REKI, Gita Buana, Pundi, Mitra Aksi, YLBHL, and others.

## B. Disclosure Requirements

### Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
27-Apr-2020	01-May-2020	

#### "In country" Disclosure

Indonesia

30-Apr-2020

#### Comments

[https://www.menlhk.go.id/site/single\\_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl- provinsi-jambi](https://www.menlhk.go.id/site/single_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl- provinsi-jambi)

### Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
27-Apr-2020	01-May-2020

#### "In country" Disclosure

Indonesia

30-Apr-2020

#### Comments

[https://www.menlhk.go.id/site/single\\_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl- provinsi-jambi](https://www.menlhk.go.id/site/single_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl- provinsi-jambi)

### Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank	Date of submission for disclosure
27-Apr-2020	01-May-2020

#### "In country" Disclosure



Indonesia  
30-Apr-2020

**Comments**

[https://www.menlhk.go.id/site/single\\_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl-provinsi-jambi](https://www.menlhk.go.id/site/single_post/2896/dokumen-safeguard-bio-carbon-fund-integrated-sustainable-forest-landscape-biocf-isfl-provinsi-jambi)

**Pest Management Plan**

Was the document disclosed prior to appraisal?

NA

Date of receipt by the Bank

Date of submission for disclosure

**"In country" Disclosure**

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)****OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

No

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

**OP 4.09 - Pest Management**

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

No

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

NA

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.10 - Indigenous Peoples**

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**OP/BP 4.36 - Forests**

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**APPROVAL**

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**Approved By**

Safeguards Advisor:	Peter Leonard	11-May-2020
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| Practice Manager/Manager: | Ann Jeannette Glauber | 14-May-2020 |
| Country Director: | Rolande Simone Pryce | 28-May-2020 |