

# **An overarching strategy for low-emission development in Central Kalimantan**

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Proposal from

Government of Central Kalimantan, Indonesia

Prepared with support from  
**Earth Innovation Institute (EII) and Yayasan Penelitian Inovasi Bumi (INOBU)**

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**GENERAL INFORMATION**

Applicant: Earth Innovation Institute (EII) and Yayasan Penelitian Inovasi Bumi (INOBU)

Jurisdiction: Central Kalimantan, Indonesia<sup>[1]</sup><sub>SEP</sub>

Project Title: An overarching strategy for low-emission development in Central Kalimantan

Proposed Start Date: October 2018<sup>[1]</sup><sub>SEP</sub>

Proposed duration: 18 months

Total request in USD: 319,313

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## 1. Rationale and Approach

### 1.1. Summary

For over 10 years, Central Kalimantan has been a pioneering REDD+ initiatives at the provincial level in Indonesia. With confusion regarding the status of REDD+ performance-based payments at the national level, the focus of sustainability initiatives in Central Kalimantan has shifted to sustainable supply chain initiatives. These initiatives have focused largely on making the cultivation of oil palm sustainable through issuing provincial regulations on plantation development and monitoring, the recognition of indigenous land rights and moving the province towards certification. Following initiatives at the provincial level, districts in Central Kalimantan, with the endorsement of the Roundtable on Sustainable Palm Oil and the support of agribusinesses and consumer goods companies, begun piloting jurisdictional certification in 2015. These initiatives have included the mapping and registration of smallholders, developing institutions for supporting smallholders, reducing social conflict and developing spatial plans and strategies for reducing deforestation.

With these diverse sustainability initiatives at both the provincial and district levels, it is timely to develop an overarching provincial strategy for low-emission development (LED-OPS). In this proposal, we describe the necessary steps for developing a practical strategy for reducing deforestation and degradation in the province. The proposal requests funding of USD 391,313 for the five elements required to develop the strategy and the framework for implementing it:

1. Developing an overarching provincial strategy for low emission development (LED-OPS) in Central Kalimantan;
2. Completing a Provincial plan for protecting and managing the environment, known as *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup* (RPPLH) RPPLH, consisting of the assessment of environmental carrying capacity;
3. Completing the Strategic Environmental Assessment (KLHS);
4. Designing a district level strategy on low emission development developed for one pilot district, which is registered with the NRS; and
5. Developing a Forest Management Unit Business Plan.

## 1.2. Self-Assessment

Central Kalimantan was one of the forerunners in REDD+ implementation. Central Kalimantan was selected as the REDD+ pilot province in December 2010 as part of the Letter of Intent between the Norwegian and Indonesian governments, in which the Norwegian government committed \$1 billion to support reducing deforestation in Indonesia. However, continuous changes in the institutions responsible for REDD+ have created a lot of uncertainty in REDD+ implementation. The national REDD+ Task Force was created through a Presidential Decree 19/2010 which set specific targets to be achieved by June 2011. The Task Force main achievements include the moratorium of primary forest and peatland conversion through the issuance of Presidential Instruction 10/2011 and the selection of Central Kalimantan as the pilot province. The second Task Force was established in September 2011 with the issuance of Presidential Decree 25/2011 to implement the strategic program in Central Kalimantan. On January 22, 2013, Presidential Decree 5/2013 was issued to revise the Presidential Decree No. 25 of 2011, which set June 2013 as the end of the Task Force's term. Following the end of the second Task Force's term, Presidential Decree no. 62/2013 established the REDD+ Agency. The agency reported directly to the President and had authority similar to a national ministry. In 2015, the REDD+ Agency was abolished, based on Presidential Regulation 16/2015, and the roles of the agency were merged with the Directorate General of Climate Change at the Ministry of Environment and Forestry.

In 2011, after being selected as a REDD+ pilot province, the Governor formed a team responsible for the development of the action plan to reduce emissions from deforestation and forest degradation, known as STRADA or the Provincial Strategy for REDD+. The STRADA document was produced in 2012 and formalized by Governor Regulation 10/2012 in May 2012. Furthermore, the document was further enhanced by inputs gathered from a series of public dialogs. The final version of the plan was produced in December 2013. The STRADA document covers the entire province although without specific reference to locations for both the drivers of deforestation and the implementation activities. The proposed strategy has not specifically included detailed action plans. It has not been linked to the national forest monitoring systems and safeguard information has not been included. The calculation of Forest Emissions Reference Level (FREL) in the strategy used a similar methodology as the national FREL, except it has not included peatland decomposition and it used different baseline years. The STRADA document uses the baseline years of 2000-2011, while the national methodology applies 1990-2012. The historical emissions were estimated at of 41 million ton CO<sub>2</sub>e/year, the FREL is set at 203 million ton CO<sub>2</sub>e/year. The rate of deforestation during 2000-2009 was 63,000 hectares per year.

Following the completion of the STRADA document, Central Kalimantan was ready to implement the strategy. However, there was no support provided by the REDD+ Agency at the time. After the new directorate was created within the Ministry of Environment and Forestry in 2015, the subnational governments were waiting for the instruction from the national government regarding the institutional setting for dealing with REDD+ at provincial and district levels. As no clarity has been provided until now, many of the subnational level REDD+ agencies have become inactive, including in Central Kalimantan.

Due to uncertainty related to REDD+ finances at the national level, provinces in Indonesia, including Central Kalimantan, have relied entirely on external support such as through the Governors' Climate and Forest Task Force to fundraise. While the REDD+ process has slowed down, the efforts to reduce deforestation in Central Kalimantan have shifted towards the framework of sustainable supply chain (SSC) initiatives. Central Kalimantan, as one of a few palm oil producing provinces in Indonesia, is able to benefit from such initiatives, particularly since the Provincial Government has established strong regulatory framework for sustainable commodity production.

In 2011, the Provincial Regulation on Sustainable Plantation Development was issued stipulating how plantations should be developed and managed sustainably. This regulation was one of the first of its kind in Indonesia and provided a strong foundation for sustainable supply chain initiatives, particularly for reducing

deforestation from oil palm plantations. Based on this regulation, the previous Governor announced his commitment to certify all palm oil producers in Central Kalimantan through the issuance of the Governor Decree No. 188.44/435/2015. The objective of the decree was to support the Provincial Government of Central Kalimantan achieve its goal to be free of deforestation and degradation by 2020 and achieve Sustainable Plantation Management by having all oil palm plantations certified by 2019. The decree also established a working group whose aim was to support the achievement of this objective. A subsequent decree, Decree of the Central Kalimantan Governor number 188.44/436/2015, was issued to support sustainable plantation development through the establishment of an information system for investment monitoring and plantation reporting in Central Kalimantan Province. This plantation monitoring system, later renamed *Sistem Informasi dan Pemantauan Kinerja Perkebunan Berkelanjutan* (SIPKEBUN), was then strengthened through a Memorandum of Understanding signed between the Ministry of Agriculture, the Provincial Government of Central Kalimantan and the district governments of Seruyan, Kotawaringin Barat and Gunung Mas on 26 October 2016.

Central Kalimantan has also been progressive in issuing local regulations related to sustainability and the protection of human rights, in particular the rights of indigenous peoples. There are two provincial regulations that support the recognition of customary land rights. The first of these is the Governor's Regulation No. 13/2009, which stipulates the registration of customary owned lands. The regulation recognizes the role of local customary institutions, in particular *Damang and Mantir*, to recognize customary land claims outside of forest areas. Although not fully implemented, at least 1,200 customary land certificates (*Surat Keterangan Tanah Adat – SKTA*) or 15,000 hectares of land had been registered by 2013. The second provincial regulation, No. 5/2011, also lists several communal rights that must be protected and are not transferable to plantation businesses. In 2012, the provincial government also issued a regulation, Provincial Regulation 15/2012, to regulate mining activities so that they can be more environmentally friendly. The Province of Central Kalimantan also addressed the ongoing issue of spatial overlaps through Provincial Regulation (Perda) No. 5/2015. On 11 August 2014, Governor Teras Narang signed the Rio Branco Declaration, in Rio Branco, Brazil. The signatories of the Rio Branco Declaration committed to reduce deforestation by 80% by 2020 if they received adequate, sufficient, and long-term performance-based funding. In 2016, Indonesia members have put together a work plan to implement declaration. The priorities developed as part of that workplan are included in this proposal. Central Kalimantan has also invited public and private investments in sustainable oil palm production and forest management units to help achieve its goals of reducing deforestation.

After more than five years since the issuance of STRADA, it is obvious that local governments can only implement climate related activities when they are integrated into government regulations, government planning documents, and budget documents. The SSC initiative is a good example to illustrate this. The activities on SSC were made possible due to the existence of Provincial Regulation 5/2011 that provides the legal basis for implementing and financing such activities. Integrating climate related activities to the regulations and government processes will also ensure that the implementation of such activities will be carried out regardless the uncertainty at the national level.

An overarching strategy is needed that integrates, aligns and refines the many strategies that have been developed so far to reduce deforestation and forest degradation in Central Kalimantan. This strategy should be integrated into the government planning documents, including spatial plan and plan to manage environment. These documents should be formalized by provincial regulations, which then provide a legal basis for further integration of program or activities into the medium-term and annual development plan. Once the program and activities are integrated in the development plan, the provincial government can assign government officials to implement and also to finance the activities using the government budget.

The development of the overarching strategy and its integration to government regulations and documents

will require the following steps:

1. **Developing an Overarching Provincial Strategy for Low Emission Development (LED-OPS)** – The strategy would align all related strategies on reducing deforestation and forest degradation at the provincial level, but also consider national and district level strategies. All previous strategies will be compiled, revisited and refined. The LED-OPS will then be registered with the National REDD+ Registry System (NRS) so it will qualify the province for receiving performance-based payments once the national government finalizes the national REDD+ infrastructure. The strategy will also incorporate the national Safeguard Information System (SIS) and the Monitoring, Reporting and Verification (MRV) system.
2. **Integrating LED-OPS into the plan to protect and manage the environment**, known as *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup* (RPPLH). The Environmental Law 32/2009 stipulates the use of various tools to mitigate environmental risks in development activities. The law requires national and subnational governments to develop RPPLH based on the condition of the environment, including its capacity to provide goods and services, tenure systems, management status, environmental degradation or damage and conflicts that are triggered by the management of the resources. RPPLH includes a plan to: a) use and/or set aside natural resources; b) maintain and protect the quality and function of the environment; c) control, monitor, use and conserve natural resources; d) adapt to and mitigate climate change. It, therefore, provides a strong basis for integrating the efforts to reduce deforestation and forest degradation into the government system. RPPLH will be stipulated by a Government Regulation at the national level and a Local Regulation at the provincial and district levels. *RPPLH should be included in and used as the basis for the development of the long-term and medium-term development plans. The use of natural resources should be based on RPPLH.*
3. **Integrating LED-OPS into the spatial plan** – Provincial and district governments are authorized by Law 26/2007 on Spatial Planning to develop local spatial plans according to guidelines and norms established by the national government. Spatial plans, according to Law 26/2007, regulate the purpose of a specific zone. The potential purposes of an area include cultivation, protected areas, and infrastructure development. Forest classification undertaken by the Ministry of Environment and Forestry should be synchronized with provincial spatial plans. The development or revision of the spatial plan should be based on a strategic environmental assessment known as *Kajian Lingkungan Hidup Strategis* (KLHS). This assessment is to ensure that sustainability principles are integrated into the development of policies or actions or programs. The steps for carrying out KLHS are:
  - ) analyzing the impact of policies, plan or program on the environment within a jurisdiction;
  - ) formulating alternatives to improve policies, plans or programs; and
  - ) providing recommendations for decision makers to improve the policies, plans or programs to integrate sustainable development principles.Once the strategy of reducing deforestation and forest degradation has been integrated through the RPPLH, it creates a basis for integrating the strategy into the KLHS process. The expected result is to clearly define areas for production and conservation in the spatial plan. Once the plan is approved, it will be illegal to clear forested areas allocated for conservation and it provides a basis for forest rehabilitation in conservation areas that currently lack forest cover.
4. **Developing a district level strategy on low emission development and registering with the NRS.** District level governments have the authority to manage areas outside forests, while the provincial governments have the authority to manage areas classified as state forests. Local governments can allocate permits to utilize areas outside state forests for agriculture and plantation activities such as oil palm plantations – which are one of the major drivers of deforestation in Indonesia. This difference in authority over different land covers and uses highlights the need for a system to nest district level programs within that of the provincial government’s strategy.
5. **Developing a Forest Management Unit Business Plan.** While the district level strategy focuses mainly on areas outside forests, a model for addressing deforestation and forest degradation within state forests should be developed specifically for Forest Management Units (FMU). In Central Kalimantan, there are 33

FMUs covering 8.5 million hectares, with two units that have been properly established, but both lack the resources and structure to function effectively.<sup>1</sup> FMUs are crucial for ensuring that standing forests are protected, as the management of these areas—including protecting them from encroachment or illegal logging—is under the authority of the FMUs. The main cause of forest degradation in protected and conservation forests is illegal logging. The other causes of deforestation and degradation include unclear or unrecognized tenure and access rights, weak law enforcement, limited political will for managing the environment and forestry, and lack of compliance with spatial planning. FMUs have the opportunity to also address the land claims of local and indigenous people within forest areas. The strategy for ensuring that these FMU can be managed properly is to ensure the financial health of the FMU. The FMU should have sufficient resources to carry out daily management activities and that sufficient capacity exists for forest management including addressing conflicts. Unless these FMUs have the necessary technical and financial capacity, deforestation and degradation in forest areas will continue to occur.

Since climate finance will not be flowing until the national government finalizes the REDD+ architecture, provincial governments should attempt to tap into private sector finance. Particularly in Central Kalimantan, sustainable supply chain initiatives have encouraged several progressive agribusinesses to provide support for jurisdictions making the transition towards sustainability. Roundtable on Sustainable Palm Oil (RSPO) certified plantation companies, for instance, are obliged to provide compensation for deforestation occurring after 2005 within their plantations. This could be a source of finance for conservation if designed and managed properly.

The provincial government usually hires external consultants to prepare the planning documents, without much knowledge transfer, which consequently hinders the implementation of the plans. The proposed project aims to increase technical skills of civil servants responsible for the development and implementation of the strategy through on-the-job training, where they will develop the planning documents themselves. Civil servants will partner with international and national experts to carry out complex analyses and assessments, including ecological modelling and other methods. The government already has budget allocated for several activities such as RPPLH and KLHS, thus the requested funds are to complement the government resources by providing access to technical support from international and national experts for carrying out complex analyses and assessments. The emphasis is on assisted “learning by doing” rather than solely training events. From our past experience, we have found that assisted, on the job learning is far more effective and sustainable than classroom style training, and we are more likely to identify and overcome the challenges that civil servants face in their routine activities.

Earth Innovation Institute has been working in the Indonesian province of Central Kalimantan since 2012 to develop jurisdictional strategies for reducing deforestation from the palm oil sector. The EII Indonesia program was institutionalized as its sister organization in January of 2015, called Yayasan Penelitian Inovasi Bumi (INOBU). We have supported the development and implementation of the provincial roadmap for achieving low-emission rural development and began piloting initiatives for certifying the production of palm oil at the level of jurisdictions in three districts: Seruyan, Kotawaringin Barat and Gunung Mas. We have also worked extensively with provincial governments throughout Indonesia through our previous tenure as Indonesian GCF coordinator from 2015 until 2017, which also included our two pilot provinces, Central Kalimantan and West Papua. We collaborate closely with national ministries, such as the Ministry of Agriculture and the Ministry of Environment and Forestry, to support the implementation of our subnational activities.

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<sup>1</sup> Approximately, 60 per cent of the total land area in Indonesia is classified as state forests, around half of which remain ungoverned. Almost 100 per cent of forests classified as protection forests, which are designated for the protection of important ecosystem services, are currently left unmanaged (Muttaqin, 2012). To address the absence of management institutions for Indonesia’s forests, the Indonesian Government has pushed for the establishment of FMUs to ensure that all forests have a management entity. However, the progress in establishing FMUs has been slow, largely due to a lack of comprehensive mechanisms for clarifying land tenure and limited capacity for monitoring and implementing FMUs.

### 1.3. Strategic Opportunities

Central Kalimantan remains committed in achieving the pledges made in the Rio Branco Declaration which has laid out three main principles. First, the Province aims to reduce deforestation by up to 80 per cent by 2020 if adequate, sufficient, and long-term performance-based funding is available, whether through market or non-market sources. Second, the reduction of deforestation will be carried out by developing partnerships with private sector initiatives that leverage the opportunities available through jurisdictional programs. Third, Central Kalimantan will ensure that a substantial share of any additional pay-for-performance benefits that flow to signatory jurisdictions will be dedicated to forest-dependent communities, smallholders, and indigenous peoples.

To achieve the ambitious targets of Rio Branco Declaration, the theory of change is that the achievement of Rio Branco Declaration pledges will only be possible when:

- Strategy and action plans are integrated into the government system (as is clearly stipulated by the regulations) and are translated into government plans and budgets.
- Civil servants have the capacity to integrate the LED-OPS into the planning and budget document as well as to execute the implementation of the plans.
- Multi-stakeholders, including the private sector and local communities, are actively involved in the development and implementation of the strategy and action plans. Such involvement is only possible when there is strong leadership from the government.
- A robust monitoring system exists and there are sufficient resources to implement the plans.

Central Kalimantan is well positioned to develop the LED-OPS and integrate it into government regulations and documents. The first strategic opportunity for the Central Kalimantan Government is the process of revising the provincial spatial plan. The Central Kalimantan Government is reassessing the existing spatial plan which involves a series of steps including carrying out the KLHS assessment, public consultations, expert reviews and other legal and administrative processes. These processes will assess how much the environment can support provincial economic development without further damage to the environment. The Environmental Law 32/2009 gives a mandate to subnational governments to assess the carrying capacity of a jurisdiction considering the demands or aspirations of society for economic development. Based on the carrying capacity of the environment and the development plan within a jurisdiction, a RPPLH should also be developed to ensure that socio-economic development will not have adverse impacts on the environment.

The new national decrees of the Ministry of Environment and Forestry issued in late 2017 on REDD+ Implementation provide opportunities for reviving dormant processes for building REDD+ readiness. In late 2017, several regulations were issued by the Ministry of Environment and Forestry on the implementation of climate mitigation actions, including REDD+. Ministerial Decree 70/2017 specifically stipulates the implementation of REDD+, including FREL, NRS, MRV, SIS and payments. The details of the NRS are further elaborated in Ministerial Decree 71/2017. MRV is discussed in detail in Ministerial Decree 72/2017, while the inventory of greenhouse gas emissions is regulated in Ministerial Decree 73/2017. Hence, the provincial governments should use this opportunity to increase their readiness for REDD+.

Several good examples of efforts to reduce deforestation and forest degradation exist at the district or project levels. At the district level, Seruyan district has been a model for jurisdiction certification for palm oil. Three ecosystem restoration projects, which provide a legal basis for generating carbon credits from forest restoration, have been implemented since 2012, which are the Rimba Raya Project, in Seruyan district, the Katingan Mentaya Project, in Katingan district and PT. Hutan Amanah Lestari in Barito Timur district. Lessons-learned from existing programs could improve the design of the LED-OPS to be developed.

1.4. Objectives and Expected Results (table)

Outcomes	Expected Outputs	Output Indicators	Means of verification	Baseline		Targets	Data Collection Method & Risks	Key Assumption
				Value	Year			
Effective policies and programs for reducing deforestation and improving rural livelihoods at the provincial level	1. An overarching provincial strategy for low emission development (LED-OPS) in Central Kalimantan developed	1.1. number of units responsible appointed by the Governor to register the strategy with NRS	- The appointment letter or the unit appointed by the Governor - A printed copy of the document and a link to a website publishing the document -Minutes of meetings  -Attendance lists including gender	0	2018	LED-OPS design will be produced in September 2019 and registered with NRS in December 2019.	The report, both printed and electronic copies, to be submitted. Risks: - No significant risk associated with developing the document, however, there are risks related to the quality of strategy. - Change in government structure may delay the completion of the strategy	No major significant change in the government structure. Delays should be expected if a major change in the government structure due to the required time for knowledge transfers.
		1.2. number LED-OPS developed and registered to NRS		0	2018			
		1.3 number of GIG-S consultations and focus group discussions		0	2018			
		1.4 proportion of women attending consultations/FGD		0	2018			
Legally binding spatial and management plans for ensuring the protection and restoration of forests, peatland and other important ecosystems	2. Provincial RPPLH, consisting of the assessment of environmental carrying capacity, completed	2.1. number of provincial RPPLH completed	A printed copy of the RPPLH document and a link to a website publishing the document	0	2018	The RPPLH document will be produced in December 2019.	Verify the existence both printed and electronic copies of the document Risks: - Change in government structure may delay the implementation of the project	
Legally binding spatial and management plans for ensuring the protection and restoration of forests, peatland and other important ecosystems	3. The Strategic Environmental Assessment (KLHS) completed	3.1. number of KLHS reports completed for the revision of the spatial plan	A printed copy of the KLHS report and a link to a website publishing the document	0	2018	The report of KLHS will be produced in March 2020	Verify the existence both printed and electronic copies of the report Risks: - Change in government structure may delay the implementation of the project	
Effective policies and programs for	4. A district level strategy on low	4.1. number of units responsible appointed	-The appointment letter or the unit	0	2018	One district strategy	The report, both printed and electronic	

reducing deforestation and improving rural livelihoods at the district level	emission development developed for one pilot district and registered with the NRS.	by District Head from a pilot district to register the strategy with the NRS 4.2. number district strategies developed and registered with the NRS	appointed by District Head - A printed copy of the strategy document and a link to a website publishing the document	0	2018	design will be produced in September 2019 and registered with NRS in Dec 2019.	copies, to be submitted. Risks: - No significant risks associated with developing the document, however, there are risks related to the quality of strategy. - Change in government structure may delay the implementation of the activity
Strengthened governance for reducing deforestation in state forest areas	5. Forest Management Unit Business Plan developed.	5.1. number of FMU business plans develop 5.2. number of MoU signed between FMU and private sector	-A printed copy of the business plan document and the - MoU, as well as a link to a website publishing the documents	0 0	2018 2018	One business plan document is developed in September 2019 and one MoU is produced in Dec 2019.	The report, both printed and electronic copies, to be submitted. Risks: - No significant risks associated with developing the document, however, there are risks related to the quality of strategy. - Change in government structure may delay the implementation of the activity

### 1.5. Description of Activities (1 page)

Output 1 – An overarching provincial strategy for low emission development (LED-OPS) in Central Kalimantan developed. Activities involved to deliver the output are:

1. Carry out analyses including desk review of the existing plans and strategies as well as FREL estimation using the existing national FREL methodology;
2. Compile safeguard information and propose for the safeguard information system (SIS);
3. Propose the LED-OPS for Central Kalimantan;
4. Finalize the LED-OPS based on the expert review and public consultation; and
5. Register the document with the National Registry System (NRS).

Output 2 - Provincial RPPLH, consisting of the assessment of environment carrying capacity, completed. Activities involved to deliver the output are:

1. Carry out the assessment of environmental carrying capacity at the provincial level;
2. Formalize the result of the environmental carrying capacity assessment in a regulation;
3. Develop RPPLH document based on stakeholder consultation, data analyses and validation in the field and expert reviews; and
4. Finalization of the document based on public consultations carried out at the provincial level.

Output 3 - The Strategic Environmental Assessment (KLHS) completed. Activities involved to deliver the output are:

1. Reviewing the existing spatial plan based on the environmental conditions in the jurisdiction (RPPLH document);
2. Conducting stakeholder consultation, data analyses, data validation in the field, and technical consultation with experts;
3. Developing draft of KLHS document, including recommendations for revision of Spatial Plan; and
4. Conducting public consultation on the draft of KLHS.

Output 4 - A district level strategy on low emission development developed for one pilot district and registered with the NRS. Activities involved to deliver the output are:

1. Carry out analyses including desk review of the existing plans and strategies as well as FREL estimation using the existing national FREL methodology;
2. Develop the plan for the district safeguard information system and the monitoring, reporting and verification system based on the relevant national systems;
3. Propose the low emission development strategy of one pilot district;
4. Finalize the district strategy based on the expert review and public consultation; and
5. Register the document with the NRS.

Output 5 - Forest Management Unit (FMU) Business Plan developed. Activities involved to deliver the output are:

1. Develop a business model for FMU to ensure sustainable financing; and
2. Identify and engage private sector partners to support FMUs.

1.6. Implementation Plan and Timeframe: 12 – 18 Months (table)

Expected Outputs	Planned Activities	Responsible (government or partners)	Implementation Schedule					
			Q1	Q2	Q3	Q4	Q5	Q6
1. An overarching provincial strategy for low emission development (LED-OPS) in Central Kalimantan developed	1.1. Desk review of the existing plans and FREL estimation	Government and partner	Baseline report completed					
	1.2. Compile safeguard information and propose for the SIS	Government and partner		SIS document completed				
	1.3. Propose the LED-OPS	Government and partner		Draft LED-OPS completed				
	1.4. Finalize the LED-OPS based on the expert review and public consultation	Government and partner			Expert review and public consultation carried out	Grand strategy finalized		
	1.5. Register the document with NRS	Government					Strategy registered with NRS	
2. Provincial RPPLH, consisting of the assessment of environment carrying capacity, completed	2.1. Carry out the assessment of environmental carrying capacity at the provincial level	Government and partner		Report on the environmental carrying capacity completed				
	2.2. Formalize the result of the environmental carrying capacity assessment in a regulation	Government			A regulation issued			
	2.3. Develop RPPLH document based on stakeholder consultation, data analyses and validation in the field and expert reviews	Government and partner		Data analyses completed	Data validation & expert review completed	Draft RPPLH document completed		
	2.4. Finalization of the document based on public consultations carried out at	Government and partner					Expert review and public consultation carried out	RPPLH finalized

	the provincial level							
3. The Strategic Environmental Assessment (KLHS) completed	3.1. Reviewing the existing spatial plan based on the environmental conditions in the jurisdiction (RPPLH document)	Government and partner		Preliminary result of the review				
	3.2. Conducting stakeholder consultation, data analyses, data validation in the field, and technical consultation with experts	Government and partner			Analyses completed			
	3.3. Developing draft of KLHS document, including recommendation on revision of Spatial Plan	Government and partner				Draft KLHS completed		
	3.4. Conducting public consultation on the draft of KLHS	Government and partner					Expert review and public consultation carried out	KLHS finalized
4. A district level strategy on low emission development developed for one pilot district and registered to the NRS.	4.1. Desk review of the existing plans and FREL estimation	Government and partner	Baseline report completed					
	4.2. Develop the plan for the SIS and the MRV	Government and partner		SIS document completed		..		..
	4.3. Propose district strategy	Government and partner		Draft district strategy completed		.....		.....
	4.4. Finalize the district strategy based on the expert review and public consultation	Government and partner			Expert review and public consultation carried out	Grand strategy finalized		
	4.5. Register the document with the NRS	Government and partner					Strategy registered with NRS	
5. Forest Management Unit Business Plan developed	5.1. Develop a business model for FMU to ensure sustainable financing	Government and partner		Business model for FMU drafted	Public consultation	Business model finalized		
	5.2. Identify and engage private sector partners to support FMUs	Government and partner					Private sector partner engaged	MoU between private sector and FMU

## 1.7. Cross-cutting Issues

**Interaction with Broader Policy Framework.** The development of the LED-OPS for Central Kalimantan is aligned to the provincial Regional Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah Daerah - RPJMD*) 2016-2021. There are several priorities of the provincial government for this that provide opportunities for alignment. Priority 1, for instance, which focuses on ensuring that there is a proper spatial plan and the sustainable use of space, and the control of the use of space, aligns with the proposed LED-OPS. The provincial government has also committed to ensure that water resources are managed properly so that the supply of fresh water meets the needs of people in the province. The government is also committed to ensure that the network for water distribution is well managed. Finally, the provincial government also aims to ensure the sustainable management of the environment. The specific target is to improve the quality of the environment and reduce degradation of the environment. One measure proposed is to monitor the environmental quality index. The proposed project aligns with these priorities through undertaking environmental assessments that will inform the spatial plan and well providing models for managing the environment at the district and FMU levels. The strategy will be integrated into the provincial regulations, which should be further aligned to the development plans.

At the national level, as previously discussed, several regulations issued provide an opportunity for the subnational governments to engage in the REDD+ processes. The provincial government can resume the process of finalizing the FREL, provincial strategy, action plan and investment plan for reducing deforestation and forest degradation. The Ministerial Decree 71/2017 on the National Registry System also allows the subnational governments to register the strategy and the action plans. The Decree establishes the process of registering activities including mitigation, adaptation and joint mitigation-adaptation actions. The Decree clearly stipulates the roles of the Ministry of Environment and Forestry to monitor, evaluate and report actions as well as provide a certificate as an acknowledgement. As the strategy and plans are registered, it will eventually provide an opportunity to receive financial benefits, after the activities are verified according to the protocol set by the regulation.

The strategy will also align with and supports the country's nationally determined contribution (NDC). In 2016, Indonesia submitted its national FREL document to the UNFCCC detailing the definition of deforestation and the reference level. The reduction target set by the first Nationally Determined Contribution is reducing as much as 29% of emissions against the business as usual scenario by 2030 with domestic resources. With international support, the reduction target is set at 41% below the business as usual scenario by 2030 (Government of Indonesia, 2016). The Ministerial Decree 70/2018 specifically mentions about assigning a buffer for the subnational FREL considering the bio-geophysical condition (based on carbon stock-flow analysis), the need for development and the risks of not achieving the emission reduction targets. There was no further explanation on how the buffer will be developed. The proposal will reassess the FREL that has been developed – so, the process can help inform a revision to the NDC prior to 2020.

Central Kalimantan has always been the focus for efforts to reduce emissions from deforestation and forest degradation in Indonesia through both REDD+ pilot initiatives and sustainable supply chain initiatives. This is specifically because of it is home to large tract of peatland which has been destroyed during the 1990s as part of the Mega Rice Project, which aimed to drain peat swamp areas to develop rice farmland. The degradation and draining of these peatland areas has left Central Kalimantan prone to peat and forest fires. The Peatland Restoration Agency (*Badan Restorasi Gambut – BRG*) and Ministry of Environment and Forestry are committed to properly manage peatlands to reduce forest and peat fires. BRG aims to restore around 2 million hectares of peatland within the next 5 years and Central Kalimantan is one of the focal regions. The project will align to such target.

**Partnerships and Multi-Stakeholder Participation.** The LED-OPS and associated activities will be developed together with several partners. First, the implementation of the project will be carried out together with scientists and researchers from Earth Innovation Institute (EII) who have expertise in spatial modelling, tropical ecology and sustainable commodities among others. EII experts will advise and support the

government in applying best practice methods for analyses, modelling and spatial planning. The project will also partner with Centre for Climate Risk and Opportunity Management in Southeast Asia Pacific (CCROM-SEAP) to assist in determining the FREL according to the national methodology and also register the strategy with the NRS. CCROM-SEAP assisted the Ministry of Environment and Forestry to develop FREL methodology. Inovasi Bumi (INOBU), an Indonesian non-governmental organization, has a wealth of experience working closely with local governments making the transition towards sustainability. INOBU will be working directly with the government on a daily basis to support them to produce the strategy and incorporate the results of the work from EII and CCROM-SEAP.

The provincial government will lead the process of developing the strategy, with the Provincial Environmental Agency taking a leadership role. The government has the authority to include all the relevant stakeholders into the process of developing the strategy, including indigenous people, local communities, farmers and finally the private sector. The project will actively engage with the governor about the strategy, while routinely engaging with the provincial forestry department and provincial plantation departments as well as the provincial planning agency and investment board. For output 4, the relevant district agencies and heads of districts will also be engaged.

Through involving the private sector in the process, it could potentially facilitate sustainable investments in the province. The greatest potential for investments in Central Kalimantan relate to sustainable supply chain initiatives, in particular, investments that support small-scale commodity production systems, including palm oil. The current focus of sustainable investments in Central Kalimantan are focused on supporting and sourcing from independent oil palm smallholders in the districts of Seruyan and Kotawaringin Barat, which are piloting jurisdictional certification.

BRG, supported by the Global Green Growth Institute, are also promoting initiatives for green investments in or surrounding peatland areas. BRG will be consulted and involved during the project to ensure the LED-OPS addresses the challenges of peatland management in Central Kalimantan.

Underpinning on the multi-stakeholder approach for the project is the belief that a large-scale transition is only possible through a bottom-up multi-stakeholder process that defines common goals and targets. Multi-stakeholder involvement can be promoted through the development of a LED-OPS working group consisting of representatives from government officials, civil society, indigenous peoples' groups, women's and youth organizations, farmer groups and agribusinesses as well as other companies. The LED-OPS working group can convene regularly throughout the process of developing the strategy. The LED-OPS working group could build on the experiences and composition of several existing working groups in Central Kalimantan, such as the working group for sustainable palm oil, so that the process does not start from zero. The selection of members of the working group should be based on their interests and commitment, their role during the implementation and their available resources and capacity. The governance structure for implementation of the LED-OPS should also be agreed in the working group to ensure the immediate implementation of the process. A monitoring system would enable tracking the progress of the implementation in achieving the targets and milestones agreed. Similar processes and systems have been developed by EII in Brazil and INOBU is currently developing a jurisdictional performance monitoring system for the provincial government of West Papua. This will be addressed at the provincial level through the LED-OPS SIS development process and at the district level through Output 4, Activity 2 (see above).

**Gender Mainstreaming.** There is an emerging consensus that REDD+ processes may exacerbate the exclusion and disempowerment of women in decision-making over forests and other land uses. In Indonesia, historically women have been excluded from forest management as a result of both institutional factors as well as cultural norms and social practices. To address these challenges, REDD+ processes should ensure gender equitable participation and develop gender inclusive action plans. In the context of proposed project, the involvement of women is important to ensure that their voices are fully heard and taken into account in the formulization of the strategy. The composition of the working group will aim to represent the interests of women, through the inviting the representation of women's groups in the working group as well as ensuring the gender balance of the working group. Issues relating to gender will

be included in other aspects of the strategy development, such as considering the different uses of natural resources and the environment among men and women, as well as the actual and potential participation of women and men, especially from local communities, in the business plan developed for forest management units. Participatory processes, such as stakeholder consultations, will be structured in such a way as to ensure the meaningful participation of women and youth.

Specific budget items have been allocated for ensuring gender mainstreaming in each of the outputs, including allocating funds for a gender specialist and targeted consultations.

**Knowledge Management and Communications.** The Government is committed to disseminate information, including the results, knowledge, lessons learned, and good practices with relevant stakeholders in the jurisdiction. This will be carried out through posting the information on the website of the governments and partners. The web link can also be connected to the website of the GCF Secretariat. This will allow everyone to access and understand the process. Publications will also be produced to national and international media outlet capturing the process and lessons learned. If considered necessary by the LED-OPS working group, a jurisdictional monitoring platform at the provincial level, that contains databases and repositories of relevant information and documentation will be proposed as an outcome of the strategy development process.

## **2. Risks, Monitoring and Evaluation**

### **2.1. Risk Management**

Risks that may be faced by the project include as follows:

First, uncertainty at the national level may slow down the process of finalizing and implementing the LED-OPS. The upcoming presidential election in 2019 could create some political tensions that affects stakeholders at all levels. The process of building REDD+ readiness within the Ministry of Environment and Forestry has also created a lot of uncertainty. New policies or decisions on climate change keep being introduced which often contradict with one another. The assumption is that these processes at the national level are not systematic or consistent, which may significantly the project. One way of mitigating the risks associated with the uncertainty of REDD+ is also to promote low emission develop strategies more broadly, which include sustainable supply chain initiatives and green investments rather than relying on REDD+ payments alone. Engagement and partnerships with the national government is crucial and should be built although not with only one specific ministry or directorate, but a diverse range of relevant ministries and directorates to ensure the resilience of the strategy.

Second, there are risks resulting from the limited capacity of provincial officials and the high rotation amongst government officials in the relevant departments as well as the other competing targets that they should achieve. The assumption is that the project will be able to increase the capacity of local governments. However, many of these issues are common in the Indonesian government system and cannot be avoided. This risk can be mitigated by ensuring the project is well embedded in the official planning processes and documents of the provincial and district governments, so that the officials have performance targets that are tied to the development of the strategy. The risks of low capacity and high rotation rates are common in the government system. Throughout the years of INOBU's engagement with local governments, such risks can be mitigated by engaging with many officials at multiple levels of government so that when one or two officials are moved, the activity can still proceed. Providing on-the-job training is another way to address the risks related to the limited capacity of government officials.

Third, in Central Kalimantan, another potential risk is due to the high vulnerability of the environment to fires that is different to other provinces. Some peat areas in Central Kalimantan have been heavily degraded as the result of policies during the 1990s, hence, climate change will have significant impact of the environment in Central Kalimantan, such as creating the enabling conditions for catastrophic fires and haze. So, there is a risk to the project that current work may be undermined a period of severe drought or

an El Niño-Southern Oscillation event that could lead to the outbreak of fires. Although BRG is actively trying to address this issue, the provincial government should communicate the progress that it has made with the strategy and other activities, as well as highlight elements that are beyond its control.

Fourth, there is a risk that the strategy will not be adopted by the government. Although the methodology is designed to minimize this risk through government leadership and multi-stakeholder participation, there is the risk the final LED-OPS may not be adopted in its entirety. To mitigate the effects of this risk, we will try to ensure that at least some elements of the LED-OPS are adopted at both the provincial and district levels into government policies and programs, ensuring some progress towards low emission development.

There is also the potential of internal risks to the project, such as changes in staffing at either Earth Innovation or INOBU, which could disrupt the continuity of the work. To mitigate such risks, Earth Innovation and INOBU have staff with complementary skills who are able to minimize the disruption caused by any staffing change. Also, as INOBU and Earth Innovation have had an ongoing presence in Central Kalimantan since 2012, most senior staff and managers are familiar with officials and representatives of the Central Kalimantan provincial government and its agencies, and are able to step in as necessary to minimize any potential issues.

To further mitigate risks and ensure positive social and environmental outcomes, the project will be implemented in accordance with UNDP's Social and Environmental Standards (SES). The standards will also ensure that the project is implemented in a way that is transparent, consistent and accountable, and any social and environmental risks or impacts are avoided, minimized, mitigated and managed.

## 2.2. Monitoring

The project aims to monitor closely the project at the outcome and output level. Monitoring of the delivery of these documents will involve checking and verifying soft and hard copies of the documents. However, there are other indicators that should also be monitored throughout the development of the strategy including: 1) involvement of stakeholders in the process; 2) representation of women in the multi-stakeholder process; and 3) partnerships and trust building. The first two can be monitored through assessing the attendance of different groups, including women, during the planning process. Monitoring partnerships and trust building is more complicated. Potential indicators that could be monitored include the number of partnerships built among different stakeholders, which are the result of the strategy development process. This can be seen in Activity 2 and 3 where specific partnerships with the private sector will be developed in specific locations.

At the outcome level, the project can contribute to: 1) increasing the capacity of the local governments to develop and implement the strategy; and 2) attracting more investment in the province to support the transition towards sustainability. The first outcome is harder to monitor. The proxies that could be used include: the number of training sessions provided for the local governments or the capacity of government officials to incorporate the strategy into planning and budget documents. Monitoring investment, however, is much easier to monitor can use quantitative indicators such as the amount of financial and in-kind contributions made to support the implementation of the strategy. Other outcomes that the project will contribute to include: Effective policies and programs for reducing deforestation and improving rural livelihoods at the provincial and district level, legally binding spatial and management plans for ensuring the protection and restoration of forests, peatland and other important ecosystems and strengthened governance for reducing deforestation in state forest areas. Over the medium to long term, these outcomes can be measured through reductions in deforestation and other forms of environmental degradation, for instance fire incidence, and reductions in poverty as well as improvements in human development indicators.

A final project evaluation will be conducted in order to assess the effectiveness of the project and ensure that any lessons learned are properly integrated into future projects, policies and programs.

### 2.3. Sustainability of Results

The sustainability of the results will be ensured through the design of the strategy development and implementation process. Below we identify the central elements that will ensure the sustainability of the project.

As was highlighted several times throughout the proposal, the sustainability of the project can be ensured when the project is embedded into the government system. The government system is strictly regulated by laws and regulations, where processes are defined including the processes and steps required for planning, budgeting and implementation. Every proposed activity should be integrated into the planning process. This starts with the spatial plan and development plan (long-term, medium-term and short-term). Based on the planning documents, the government then creates a budget document including a five-year budget document and an annual budget. The budget document will be the basis for financing any implementation activity with the local government budget. The activities that are part of the planning document will also determine the key performance indicators of the government officials who are responsible for implementing them.

There are four crucial elements for ensuring that the proposed project is properly integrated into the government system. First, during the development process of the strategy, the process should be carried out by government officials. The government will include the activities into the planning document for the upcoming years, so the involvement of government officials has a clear legal basis and their KPIs are included in the official documents. Their involvement is also crucial to ensure the sustainability of the proposed project by ensuring that the local officials have the capacity to carry out similar strategy development processes. Second, after the strategy has been developed, the strategy should be formalized through regulations and also including it into the annual plan. As the proposal is aligned to the medium-term development plan then formalizing the strategy is possible. Third, the sustainability of the proposed project at the implementation level can be ensured after the strategy is included into the planning documents. This will ensure that the government also allocates their budget into financing the activities. Hence, even after the project ends the government can continue the implementation process. Fourth, a strong multi-stakeholder process, including an implementation governance structure, will ensure that the group will continue to drive the implementation even after the project ends. The group can also be formalized through the issuance of a regulation.

This government also has targets and activities related to climate mitigation and reducing deforestation and forest degradation. Currently, provincial governments have clearly defined authority for what they can or cannot do. Climate change mitigation and adaptation, unfortunately, has not yet been properly regulated meaning that local governments cannot yet implement activities to support the achievement of these goals. Although not explicitly for the purposes of climate change mitigation or adaptation, regulatory instruments, such as RPPLH and KLHS, enable local governments to reduce greenhouse gas emissions from land uses and other sectors, and support local communities to adapt to climate change.

The involvement of the private sector will also support the sustainability of the project. Private actors generally have long-term investments in the region so have a vested interest in ensuring the long-term sustainability of the strategy. So, the involvement of the private actors in the strategy development process will be encouraged at each stage, including the implementation of activities. Where possible, co-financing for the implementation of activities will be sought from private sector actors, when government or donor finances are unavailable. This will increase the pool of resources available for implementing the strategy.

### 3. Budget

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
1. An overarching provincial strategy for low emission development (LED-OPS) in Central Kalimantan developed	1. Carry out the analysis incl. desk review of the existing plans and strategies as well as FREL estimation using the existing national FREL methodology;	Salary (INOBU & national experts), workshop & travel - Salary \$8,462 (National experts 20 Man day @ \$269 and INOBU Staff 20 Man day @ \$154) - Meetings \$815 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0); - Travel \$3,754 (Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46);	13,031	-	-	13,031	Government budget contribution: Government Official 50 Man day @ \$115	5,769
	2. Compile safeguard information and propose for the safeguard information system (SIS);	- Salary \$ 7,389 (National experts 16 Man day @ \$269 and INOBU Staff 20 Man day @ \$154) - Meetings \$808 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 0 Pax @ \$0); - Travel \$1,877 (Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46;)	-	10,069	-	10,069	Government budget contribution: Government Official 50 Man day @ \$115	5,769

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	3. Propose the LED-OPS	- Salary \$7,385 (National experts 16 Man day @ \$269 and INOBU Staff 20 Man day @ \$154) - Meetings \$815 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Pax @ \$0;) - Travel \$3,754 : Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46;	-	11,954	-	11,954	Government budget contribution: Government Official 50 Man day @ \$115	5,769
	4. Finalize the LED-OPS based on the expert review and public consultation	- Salary \$5,577 (National experts 15 Man day @ \$269 and INOBU Staff 10 Man day @ \$154) - Travel \$2,169 (Flights 5 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46); - Meetings \$4,538: Resource Person fee 4 Day @ \$115; Catering / Venue 100 Pax @ \$23; Printing/material 100 Pax @ \$0; Local transport 75 Person @ \$23;	-	12,285	-	12,285	Government budget contribution: Government Official 50 Man day @ \$115 INOBU Staff 5 Man day @ \$154	6,538
	5. Register the document to the National Registry System;	- Salary \$ 846 (National experts 2 Man day @ \$269 and INOBU Staff 2 Man day @ \$154) - Travel \$1,077 (Accommodation 10 Night @ \$62; Perdiem 10 Day @ \$46;	-	1,923	-	1,923	Government budget contribution: Government Official 15 Man day @ \$115	1,731
	6. Monitoring and evaluation	- Salary \$769 (INOBU Staff 5 Man day @ \$154) - Travel \$3,754 (Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46; Professional Fee 5 Man day @ \$385 Meetings: Resource Person fee 2 Man day @ \$115; Local	-	4,523	-	4,523	Government budget contribution: Government Official 10 Man day @ \$115	1,154

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
		transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0);						
	7. Gender support / assessment	- Salary \$1,923 (Expert Fee 5 Man day @ \$385) - Meetings 815 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0); - Travel \$1,877 (Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46);	-	4,615	-	4,615	-	-
Subtotal Output 1			13,031	45,369	0	58,400		26,731
2. Provincial RPPLH, consisting of the assessment of environment carrying capacity, completed	1. Carry out the assessment of environmental carrying capacity at the provincial level;	-Salary \$13,333 (INOBU Staff 40 Man day @ \$154 and EII Staff 20 Man day @ \$538) - Meetings \$ 3,692 (Resource Person fee 16 Man day @ \$115; Local transport 80 Person @ \$23; Materials 160 Pax @ \$0); - Travel \$10,554 (Flights 10 Return Flight @ \$231; Ground transportation 8 Day @ \$31; Ground transportation 5 Month @ \$1154; Accommodation 10 Night @ \$62; Accommodation 1 Month @ \$1154; Perdiem 10 Day @ \$46)	27,579	-	-	27,579	Government budget contribution: Government Official 150 Man day @ \$115 Catering / Venue 160 Pax @ \$23;	24,651

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	2. Formalize the result of the environmental carrying capacity assessment in a regulation;	- Salary \$ 1,538 (INOBU Staff 20 Man day @ \$154) - Travel \$ 4,000 (Flights 8 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 16 Night @ \$62; Perdiem 24 Day @ \$46); - Meetings \$14,923 (Resource Person fee 8 Day @ \$115; Catering / Venue 600 Pax @ \$23; Printing/material 400 Pax @ \$0);	20,462	-	-	20,462	Government budget contribution: Government Official 60 Man day @ \$115 Local transport 600 Person @ \$23;	22,308
	3. Develop RPPLH document based on stakeholders consultation, data analyses and validation in the field and expert reviews;	- Salary \$ 11,062 (INOBU Staff 25 Man day @ \$154 and EII Staff \$6,994 (13 Man day @ \$538)) - Meetings \$ 3,692 (Resource Person fee 16 Man day @ \$115; Local transport 80 Person @ \$23; Materials 160 Pax @ \$0); - Travel \$10,554 (Flights 10 Return Flight @ \$231; Ground transportation 8 Day @ \$31; Ground transportation 5 Month @ \$1154; Accommodation 10 Night @ \$62; Accommodation 1 Month @ \$1154; Perdiem 10 Day @ \$46)	25,272	-	-	25,272	Government budget contribution: Government Official 150 Man day @ \$115 Catering / Venue 160 Pax @ \$23;  EII/INOBU contribution: INOBU Staff 25 Man day @ \$154 and EII Staff 7 Man day @ \$538	28,497
	4. Finalization of the document based on public consultations carried out at the provincial level.	- Salary \$ 1,484 (INOBU Staff 7.5 Man day @ \$154 and INOBU Staff 1 Man day @ \$330) - Travel \$3,938 (Flights 8 Return Flight @ \$231; Accommodation 16 Night @ \$62; Perdiem 24 Day @ \$46); - Meetings \$12,231 (Resource Person fee 8 Day @ \$115; Catering / Venue 540 Pax @ \$23; Printing/material 400 Pax @ \$1);	-	-	17,654	17,654	Government budget contribution: Government Official 50 Man day @ \$115 Local transport 540 Person @ \$23;	19,615

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	5. Monitoring and evaluation	- Salary \$769 (INOBU Staff 5 Man day @ \$154) - Travel \$2,831 (Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46);	-	923	3,600	4,523	Government budget contribution: Government Official 10 Man day @ \$115	1,154
	6. Gender support	- Salary \$1,923 (Expert Fee 5 Man day @ \$385) - Meetings \$815 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0; - Travel \$1,877 (Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46);	-	-	4,615	4,615	-	-
Subtotal Output 2			73,313	923	25,869	100,105		96,226
3. The Strategic Environmental Assessment (KLHS) completed	1. Reviewing the existing spatial plan based on the environmental conditions in the jurisdiction (RPPLH document)	- Salary \$12,821 (INOBU Staff 50 Man day @ \$154 and EII Staff 25 Man day @ \$538) - Meetings \$3,692 (Resource Person fee 16 Man day @ \$115; Local transport 80 Person @ \$23; Catering / Venue 160 Pax @ \$23; Materials 160 Pax @ \$0); - Travel \$10,554: Flights 10 Return Flight @ \$231; Ground transportation 8 Day @ \$31; Ground transportation 5 Month @ \$1154; Accommodation 10 Night @ \$62; Accommodation 1 Month @ \$1154; Perdiem 10 Day @ \$46	27,067	-	-	27,067	Government Official 150 Man day @ \$115	29,395

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	2. Conducting stakeholder consultation, data analyses, data validation in the field, and technical consultation with experts.	- Salary \$10,256 (INOBU Staff 20 Man day @ \$154 and EII Staff 20 Man day @ \$538) - Travel \$2,169 (Flights 5 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46); - Meetings \$5,115 (Resource Person fee 4 Day @ \$115; Catering / Venue 100 Pax @ \$23; Local transport 100 Person @ \$23; Printing/material 100 Pax @ \$0);	17,541	-	-	17,541	Government Official 60 Man day @ \$115 EII Contribution: EII Staff 7 Man day @ \$538	10,513
	3. Developing draft of KLHS document, including recommendation on revision of Spatial Plan	- Salary \$13,333 (INOBU Staff 40 Man day @ \$154 and EII Staff 13 Man day @ \$538) - Meetings \$3,692 (Resource Person fee 16 Man day @ \$115; Local transport 80 Person @ \$23; Materials 160 Pax @ \$0); - Travel \$10,554 (Flights 10 Return Flight @ \$231; Ground transportation 8 Day @ \$31; Ground transportation 5 Month @ \$1154; Accommodation 10 Night @ \$62; Accommodation 1 Month @ \$1154; Perdiem 10 Day @ \$46)	27,579	-	-	27,579	Government Official 100 Man day @ \$115 Catering / Venue 160 Pax @ \$23; EII Contribution: EII Staff 7 Man day @ \$538	18,882
	4. Conducting public consultation on the draft of KLHS	- Salary \$ 2,692 (INOBU Staff 17.5 Man day @ \$154) - Travel \$4,000 (Flights 8 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 16 Night @ \$62; Perdiem 24 Day @ \$46); - Meetings \$14,891 (Resource Person fee 8 Day @ \$115; Catering / Venue 540 Pax @ \$23; Printing/material 400 Pax @ \$1);	-	-	21,583	21,583	Government Official 50 Man day @ \$115 Local transport 540 Person @ \$23;	19,615
	5. Monitoring and evaluation	- Salary \$769 (INOBU Staff 5 Man day @ \$154) - Travel \$3,138: Flights 4 Return Flight @ \$231; Ground transportation 7 Day @ \$92;	-	-	3,908	3,908	Government Official 10 Man day @ \$115	1,154

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
		Accommodation 15 Night @ \$62; Perdiem 14 Day @ \$46;						
	6. Gender support	- Salary 5 Man day @ \$385 - Meetings \$815: Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0; - Travel \$1,877: Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46;	-	-	4,615	4,615	Government budget & EII/INOBU contribution	-
Subtotal Output 3			72,187	-	30,106	102,293		79,559
4. A district level strategy on low emission development developed for one pilot district and registered to the NRS.	1. Carry out the analysis incl. desk review of the existing plans and strategies as well as FREL estimation using the existing national FREL methodology;	- Salary \$7,693 (INOBU Staff 15 Man day @ \$154 and National experts 15 Man day @ \$269) - Meetings \$815: Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0; - Travel \$3,754: Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46;	12,262	-	-	12,262	Government Official 50 Man day @ \$115	5,769
	2. Develop the plan for the safeguard information system and the monitoring, reporting and verification system;	- Salary \$4,058 (INOBU Staff 15 Man day @ \$154 and National experts 6.5 Man day @ \$269) - Meetings \$1,000: Resource Person fee 2 Man day @ \$115; Local transport 2 Day @ \$92; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; -Travel \$3,754: Flights 4 Return Flight @ \$231; Ground transportation 10 Day @	-	8,812	-	8,812	Government Official 50 Man day @ \$115	5,769

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
		\$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46;						
	3. Propose district strategy;	- Salary \$ 6,346 (INOBU Staff 7 Man day @ \$154 and National experts 15 Man day @ \$269) - Meetings 815 (Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Pax @ \$0;) - Travel: \$3,754: Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46;	-	10,916	-	10,916	Government Official 50 Man day @ \$115 INOBU Contribution: INOBU Staff 8 Man day @ \$154	8,077
	4. Finalize the district strategy based on the expert review and public consultation;	- Salary \$7,692 (INOBU Staff 15 Man day @ \$154 and EII Staff 10 Man day @ \$538) - Travel \$2,169: Flights 5 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46; - Meetings \$2,788: Resource Person fee 4 Day @ \$115; Catering / Venue 50 Pax @ \$23; Printing/material 50 Pax @ \$0; Local transport 50 Person @ \$23;	-	12,650	-	12,650	Government Official 50 Man day @ \$115 EII Contribution: EII Staff 5 Man day @ \$538	8,462
	5. Register the document to the National Registry System;	Travel: Flights 5 Return Flight @ \$231; Ground transportation 2 Day @ \$31; Accommodation 10 Night @ \$62; Perdiem 10 Day @ \$46;	-	2,292	-	2,292	Government Official 50 Man day @ \$77	3,846

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	6. Monitoring & Evaluation	Salary \$ 769 (INOBU Staff 5 Man day @ \$154) - Travel \$3,754: Flights 4 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 16 Night @ \$62; Perdiem 20 Day @ \$46;	-	4,523	-	4,523	Government Official 10 Man day @ \$115	1,154
	7. Gender support	- Salary 5 Man day @ \$385 - Meetings \$ 815: Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0; - Travel \$ 1,877: Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46;	-	4,615	-	4,615	-	-
Subtotal Output 4			12,262	43,808	-	56,070		33,077
5. Forest Management Unit Business Plan developed.	1. Reviewing the existing spatial plan based on the environmental conditions in the jurisdiction (RPPLH document)	- Salary \$ 5,898 (INOBU Staff 30 Man day @ \$154 and EII Staff 10 Man day @ \$538) - Meetings \$ 3,046: Resource Person fee 4 Man day @ \$115; Local transport 50 Person @ \$23; Catering / Venue 60 Pax @ \$23; Materials 120 Pax @ \$0; - Travel \$16,208: Flights 10 Return Flight @ \$231; Ground transportation 20 Day @ \$31; Ground transportation 4 Month @ \$1538; Accommodation 20 Night @ \$62; Accommodation 4 Month @ \$1154; Perdiem 30 Day @ \$46	25,252	-	-	25,252	Government Official 50 Man day @ \$115 INOBU Contribution: INOBU Staff 15 Man day @ \$154 EII : EII Staff 3 Man day @ \$538	9,872

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
	2. Conducting stakeholder consultation, data analyses, data validation in the field, and technical consultation with experts.	- Salary \$5,603 (INOBU Staff 15 Man day @ \$154 and EII Staff 7 Man day @ \$538) -Meetings \$3,915: Resource Person fee 12 Man day @ \$115; Local transport 50 Person @ \$23; Catering / Venue 55 Pax @ \$23; Materials 50 Package @ \$2; - Travel \$4,338 : Flights 6 Return Flight @ \$231; Ground transportation 10 Day @ \$92; Accommodation 18 Night @ \$62; Perdiem 20 Day @ \$46;	-	13,857	-	13,857	Government Official 50 Man day @ \$115 INOBU Contribution: INOBU Staff 15 Man day @ \$154 EII : EII Staff 3 Man day @ \$538	9,872
	3. Monitoring & Evaluation	- Travel \$1,877: Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46;	-	-	1,692	1,692	Government Official 10 Man day @ \$115	1,154
	4. Gender support	- Salary 5 Man day @ \$385 = 1,923 - Meetings \$815: Resource Person fee 2 Man day @ \$115; Local transport 10 Person @ \$23; Catering / Venue 15 Pax @ \$23; Materials 20 Package @ \$0; - Travel \$1,877: Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$92; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$46;	-	4,615	-	4,615	-	-
Subtotal Output 5			25,252	18,472	1,692	45,416		20,898
End of project evaluation		Professional Fee for independent evaluator \$ 1,877 Travel expenses \$ 1,569 (Flights 2 Return Flight @ \$231; Ground transportation 5 Day @ \$77; Accommodation 8 Night @ \$62; Perdiem 10 Day @ \$23)	-	-	3,430	3,430	-	-
Total Direct Cost			196,044	108,573	61,097	365,714		256,491
Direct administration costs			13,723	7,600	4,276	25,600		

Output	Activities	Budget Description	Budget 2018	Budget 2019	Budget 2020	Total	Additional funding: source & description	Additional funding: amount
Grand Total			209,768	116,173	65,373	391,314		256,491