



# DRAFT Environmental and Social Management Framework (ESMF)

<b>Project title:</b> Strengthening sustainability in commodity and food-crop value chains, land restoration and land use governance through integrated landscape management for multiple benefits in Indonesia (FOLUR IP country project)		
<b>Country:</b> Indonesia	<b>Implementing Partner:</b> Coordinating Ministry for Economic Affairs (CMEA)	<b>Execution Modality:</b> National Implementation
<b>Contributing Outcomes:</b> <b>UNSDCF Indonesia 2021-2025, Outcome 3/ UNDP OUTCOME 3:</b> Institutions, communities and people actively apply and implement low carbon development, sustainable natural resources management, and disaster resilience approaches that are all gender sensitive; <b>Output 3.2:</b> Strengthened and expanded protection, governance and management of terrestrial and aquatic ecosystems, habitats, and species (SP Output 1.4.1); <b>Output 3.4:</b> Conservation and resilience strategies with local priorities (income and food security) contribute to global environment benefits (SP output 2.4.1) <b>UNDP Strategic Plan 2018-2021: Signature Solution 4:</b> Promote nature-based solutions for a sustainable planet; <b>Output 1.4.1</b> Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains		
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## DRAFT FOR FEEDBACK

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Send written comments to: Agus Prabowo [agus.prabowo@undp.org](mailto:agus.prabowo@undp.org) or Iwan Kurniawan [iwan.kurniawan@undp.org](mailto:iwan.kurniawan@undp.org)

UNDP Indonesia Country Office • Menara Thamrin 7-9<sup>th</sup> Floor, Jl. MH Thamrin Kav. 3, Jakarta 10250

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## Executive Summary

This Environmental and Social Management Framework (ESMF) has been prepared for the submission of the UNDP project proposal “Strengthening sustainability in commodity and food-crop value chains, land restoration and land use governance through integrated landscape management for multiple benefits in Indonesia (FOLUR IP child project)” to the GEF. Its purpose is to assist in the assessment of potential environmental and social impacts. The Framework forms the basis upon which Environmental and Social Management Plan(s) will be developed, so as to ensure full compliance with the requirements of UNDP’s Social and Environmental Standards. The ESMP will be implemented by the Coordinating Ministry for Economic Affairs, and overseen by the UNDP Project Coordinator and Project Officer and monitored throughout the duration of the project.

Preliminary analysis and screening conducted during the project development phase via UNDP’s Social and Environment Screening Procedure (SESP) identified potential social and environmental risks associated with project activities. The screening procedure established that the project is rated as being of High risk, and that the identified social and environmental risks’ impacts are manageable through identified mitigation measures detailed in the SESP report, included in **Enclosure 9.1** to this document.

Nine significant risks are assessed in the SESP as “**High**”:

- Risk 1:** Improved enforcement of landscape protections and new approaches to land management could potentially result in economic displacement.
- Risk 3:** Changes to land tenure arrangements may result in loss of informal or customary land tenure rights, exposing people without registered legal entitlement to the land they farm to economic or physical displacement, or exclude them from project benefits.
- Risk 6:** The project may have adverse impacts on the rights, lands, resources and territories of Indigenous Peoples (known as “customary people”). Customary People might not be fully involved in project design and therefore not engaged in, supportive of, or benefit fully from project activities.
- Risk 7:** Local governments (sub-national level) and community associations might not have the capacity to implement project activities successfully.
- Risk 8:** Field- and policy-level activities related to the value chains of key commodities could inadvertently support child labour and other violations of international labour standards.
- Risk 11:** A failure of the project to benefit vulnerable groups, due to “Elite Capture” of project benefits. The Project could have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups.
- Risk 12:** Informal farmers, or those without registered legal entitlement to the land they farm, may be excluded from project benefits, especially benefits under Component 2. This may apply especially to marginalized or vulnerable groups.
- Risk 17:** Project activities and outcomes will be vulnerable to the potential impacts of climate change.
- Risk 20 :** Risk imposed by COVID-19 pandemic or similar disease outbreak, having implications at international, national and sub-national levels.

Ten further risks have been identified as having Moderate significance, and two as Low.

The broad scope of project activities and outputs is established. However, additional assessment is required during the inception phase, and throughout the project when project activities are further defined, to identify potential adverse impacts at specific project sites and to identify which users/user groups might be affected. Adverse impacts will, as they are identified, be subject to further study and stakeholder consultation to identify and where possible quantify the magnitude and severity of such impacts on the individuals/communities affected. Measures to avoid, minimize, mitigate, or manage such impacts will be developed and implemented. Project activities identified as potentially requiring such restrictions to access to resources will not be commenced until suitable, agreed measures are in place.

This ESMF has been developed on the basis of these risk categorizations to specify the processes that will be undertaken by the project for the additional assessment of potential impacts and identification and development of appropriate risk management measures, in line with UNDP’s Social and Environmental

Standards (SES). This ESMF also details the roles and responsibilities for its implementation and includes a framework for a Grievance Mechanism, budget, and monitoring and evaluation plans.

## Abbreviations and Acronyms

ATR/BPN	Ministry of Agrarian Affairs and Spatial Planning/National Land Agency
AWP	Annual Work Plan
BAPPEDA	Provincial/District Planning Agency
BAPPENAS	Ministry of National Development Planning
BAU	Business as Usual
BPDPKS	Indonesian Oil Palm Estate Fund
CC	Climate Change
CMEA	Coordinating Ministry for Economic Affairs
CSP	Cocoa Sustainability Partnership
CTA	Chief Technical Advisor
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organization of the United Nations
FoKSBI	Indonesian Palm Oil Platform
FOLUR	Food Systems, Land Use and Restoration
FPIC	Free, Prior, Informed Consent
GCP	Green Commodities Programme
GGP	Good Growth Partnership
GHG	Greenhouse Gas
GEF	Global Environment Facility
GI	Geographical Indication
ha	Hectare
HCS	High Carbon Stock
HCV	High Conservation Value
HCVRN	High Conservation Value Resource Network
ILM	Integrated Landscape Management
IP	Implementing Partner / Impact Program
ISPO	Indonesia Sustainable Palm Oil
IUCN	International Union for Conservation of Nature
KAP	Knowledge, Attitudes and Practices
KBA	Key Biodiversity Area
KEE	Kawasan Ekosistem Esensial (Essential Ecosystem Area)
KM	Knowledge Management
LDN	Land Degradation Neutrality
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoEF	Ministry of Environment and Forestry
MTR	Mid-term Review
NBSAP	National Biodiversity Strategy and Action Plan
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
NPD	National Project Director
OJK	Otoritas Jasa Keuangan (Financial Service Authority of Indonesia)

PA	Protected Area
PFDD	Program Framework Document
PIMS	Project Information Management System
PIR	GEF Project Implementation Review
PMU	Project Management Unit
POPP	Programme and Operations Policies and Procedures
PPG	Project Preparation Grant
PPP	Public Private Partnership
RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plan)
RTA	Regional Technical Advisor
SCOPI	Sustainable Coffee Platform of Indonesia
SDG	Sustainable Development Goal
SES	Social and Environmental Standards (UNDP)
SESA	Social and Environmental Strategic Assessment
SESP	Social and Environmental Screening Procedure (UNDP)
SLM	Sustainable Land Management
SOP	Standard Operating Procedure
SPOI	Sustainable Palm Oil Initiative
SRP	Sustainable Rice Platform
STAP	GEF Scientific Technical Advisory Panel
TBD	To Be Determined
TE	Terminal Evaluation
TOR	Terms of Reference
TSA	Targeted Scenario Analysis
UNPDF	United Nations Partnership for Development Framework
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
USD	United States Dollar
WWF	World Wide Fund for Nature

## 1 Introduction

This Environmental and Social Management Framework (ESMF) has been prepared for the UNDP-supported project “Strengthening sustainability in commodity and food-crop value chains, land restoration and land use governance through integrated landscape management for multiple benefits in Indonesia (FOLUR IP child project)”.

**UNDP and FAO** are the GEF Agencies for the project to which this ESMF applies. The UNDP Social and Environmental Standards are the applicable standards for this management framework.

### 1.1 Project description

The project’s overall aim is to reduce rates of agriculture-driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities across five selected landscapes in Indonesia. The project is part of an innovative approach towards reducing the rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities. The project will work towards achieving this objective by introducing various measures and approaches for improvement of the major agricultural commodities within these regions, as well as within existing conservation areas.

The program aims to do so through specific actions that provide long term sustainable livelihoods for communities, as well as establishment of the coordination, monitoring, reporting and management systems required to ensure transparency of results delivered and the effective management of resources. This is achieved through the following actions which are divided into the following components:

Component 1: Enabling environment for sustainable value chains and integrated landscape management

Component 2: Promotion of sustainable crop production practices and responsible value chains

Component 3: Conservation and restoration-rehabilitation of natural habitats

Component 4: Knowledge management, coordination, collaboration and monitoring & evaluation

As a result of these key interventions the project will endeavour to demonstrate improvements to the enabling conditions, institutional mandates, and enforcement capacity for sustainable land use management (SLM) in the region, particularly at the subnational level, through strengthened multi-stakeholder dialogue mechanisms/platforms for sustainable commodity supply chains, increased investment in sustainable, responsible practices within these supply chains, increased involvement of the private sector, enhanced effectiveness in the designation and management of priority ecosystems, and improved knowledge and capacity of key stakeholders.

Five landscapes have been identified where these various interventions will be implemented, in Aceh, North Sumatra, West Kalimantan, West Papua and South Sulawesi. The project has strong potential for supporting institutional capacity building, strengthened enabling environments, and the establishment of long-term partnerships between farmers, private and public sector agencies and the creation of marketing networks, and certification schemes and new markets.

A broad overview of the project components, outcomes, and indicative activities is given in Table 1 below:

*Table 1: Overview of Project Components, Outcomes and Indicative Activities*

No.	Activity
<b>Component 1: Enabling environment for sustainable value chains and integrated landscape management</b>	
<b>Outcome 1: Strengthened policy and planning framework for integrated landscape management, commodity and/or crop value chains and landscape governance at national and sub-national levels, informed by multi-stakeholder engagement</b>	
<b>Output 1.1. Policy analyses and proposals developed for national and/or sub-national level policies, regulations, or government programs to improve commodity/crop value chain and to ensure the implementation of conservation agriculture and/or protection of essential ecosystems</b>	
1.1.1.	Deliver advisory and facilitation support to CMEA and/or relevant technical ministry, other relevant national ministries and agencies, and provincial governments in the establishment and functioning of policy task force(s).

No.	Activity
1.1.2.	Facilitate national and/or sub-national governments, and other actors as appropriate, in reviewing and generating recommendations of adjustments to, and/or drafting, policy briefs or legal academic paper and regulatory instruments.
1.1.3.	Through the participatory task force(s), prepare draft versions of policy briefs and regulatory instruments.
1.1.4.	Conduct stakeholder consultations on the draft white papers, policy briefs and regulatory instruments, and prepare final draft versions.
1.1.5.	Liaise with government officials and advocate for the regulation legalization.
<b>Output 1.2. Strengthened multi-stakeholder dialogue mechanisms on landscape management and sustainable commodity/crop production</b>	
1.2.1.	Selection and participation of national champions (in particular government officials) in systems leadership cohort.
1.2.2.	Co-creation of systems leadership development programme for provincial and district level champions.
1.2.3.	Development of multi-stakeholder dialogue facilitation capacity.
1.2.4.	Annual innovation and learning space organized and facilitated for nationwide work on sustainable commodities.
1.2.5.	Strategy and business model for embedding the palm oil platform developed, rolled out and applied to other commodities.
1.2.6.	National Action Plan for sustainable palm oil is monitored and updated with multi-stakeholder buy in.
<b>Output 1.3. Sustainable action plans on cocoa, coffee and rice that also include strategies for strengthening farmer support systems formulated, adopted, and initial implementation monitored</b>	
1.3.1.	Develop specific stakeholder engagement strategies for private sector and farmer support organizations.
1.3.2.	Secure a skilled facilitator to support the dialogue process.
1.3.3.	Carry out root cause and opportunity analyses for each commodity.
1.3.4.	Assess of the existing farmer support systems performance as it relates to a specific commodity.
1.3.5.	Create sustainable action plans and budgets including farmer support implementation plan.
1.3.6.	Facilitate joint implementation and monitoring of the action plans.
<b>Output 1.4. Decision support tools for informing policy formulation and planning developed and/or strengthened</b>	
1.4.1.	Carry out a needs-assessment and exploration options for policy/regulation integration and for developing capacities in national or regional institutions.
1.4.2.	Conduct desktop study on existing policy integration tools/systems, including cost-efficient online platforms for data integration service.
1.4.3.	Co-development of policy assessment tool and standard operating procedure, with BAPPENAS or CMEA .
1.4.4.	Training of BAPPENAS or CMEA on operationalization of the assessment tool.
1.4.5.	Training of key Government agencies at national and sub-national levels on applying the tool
1.4.6.	Considering the results of an initial screening made by national governmental stakeholders, analyse the data and formulate a set of recommendations on specific gaps to fill and policies requiring strengthening.
<b>Outcome 2: Landscape management approach mainstreamed in the target provinces through adoption of jurisdictional integrated landscape management plans</b>	
<b>Output 2.1. Provincial and district level situation analysis and dialogue mechanisms established and/or strengthened for integrated landscape management involving government, private sector, CSOs and local communities</b>	
2.1.1.	Roll out of systems leadership and collaborative dialogue capacity development for local sustainability champions
2.1.2.	Establish provincial level and district level fora for multi-stakeholder collaboration on integrated land use management, and specific commodities of relevance (coffee, cocoa, palm, rice), where they do not already exist.
2.1.3.	Run well-facilitated multi-stakeholder collaborative dialogue workshops, communications, awareness raising at provincial and district levels on ILM, TSA, spatial mapping, farmer support systems and other needs for sustainable land use management and restoration in the area.
2.1.4.	Strengthen provincial palm oil platforms and work with CSL to widen remit to ILM, and multi-stakeholder district forums in Sanggau and Mandailing Natal.
2.1.5.	Create facilitation capacity in provinces and districts to support ongoing collaboration for systems change

No.	Activity
<b>Output 2.2. Maps and inventories of HCV/HCS areas and other priority or essential ecosystems generated for five target jurisdictions, with categories for protection and sustainable production defined with accompanying management guidelines</b>	
2.2.1.	Gather and assess spatial data, policies, and regulations such as: provincial and district spatial plans, SEA/KLHS, time-series land cover change data (10 years period), land systems, forest designation, concession, and secondary data related to HCV/HCS.
2.2.2.	Conduct desktop study to identify potential or indicative locations of the critical/key biodiversity areas (HCV/HCS and other priority or essential ecosystems or conservation priority area).
2.2.3.	Conduct field verification to validate the presence of critical/key biodiversity areas that have been identified through the desktop study.
2.2.4.	Convene multi-stakeholder consultations in at district levels to validate the preliminary results, and if necessary, confirm through ground-truthing.
2.2.5.	In West Papua, carry out separate customary peoples consultations.
2.2.6.	Finalize the maps of critical/key biodiversity areas to show 3 categories of land use prioritisation.
<b>Output 2.3. Jurisdictional provincial-level integrated landscape management plans delineating production, protection and restoration priorities formulated, legalized and monitored</b>	
2.3.1.	Through a multi-stakeholder collaborative process at provincial level, develop land use scenarios based on the maps generated in Output 2.2.
2.3.2.	Conduct TSAs for the development scenarios to project the costs and benefits shall the scenarios are implemented
2.3.3.	Conduct public consultations on the draft scenarios with TSA results; and then finalize finalise the scenarios integrating the feedback from stakeholders.
2.3.4.	Convene public consultations on the finalized scenarios to select one a preferred development scenario that, which will be pursued by the province.
2.3.5.	Formulate the jurisdictional integrated landscape management plans for the selected preferred scenario/target, with zoning, management, monitoring and costed action plans included.
2.3.6.	In coordination with the local provincial governments, disseminate and advocate for the adoption, implementation and monitoring of the plan. Advocation will include series of consultations to technical ministries for ministers' endorsement.
2.3.7.	Deliver advisory support and provide technical inputs to provincial BAPPEDA for developing, amending and updating planning instruments incorporating ILM considerations.
2.3.8.	Develop capacities and procedures in provincial BAPPEDA for adaptively amending and updating plans incorporating ILM considerations in the future.
<b>Output 2.4. Environmental carrying capacity for key commodities and crop assessed and trade-offs analyzed for five target districts</b>	
2.4.1.	Collect existing biophysical and climate attribute maps such as elevation, soil type, precipitation, climate change (50-year period), etc.
2.4.2.	Conduct a suitability and climate analysis of the commodities/crops per the relevant suitability criteria.
2.4.3.	Overlay biophysical attributes against the suitability criteria.
2.4.4.	Project the land suitability of the commodities/crops against climate change estimates for the next 50 years.
2.4.5.	Identify areas vulnerable to climate change for each key commodity/crop of the district.
2.4.6.	Referencing to the jurisdictional ILM plan, develop land use zoning frameworks/master plans appropriate for the commodity/crop production that consider biophysical and climate suitability for the next 50 years.
2.4.7.	Estimate the economic and environmental losses and benefits of the zoning plan for the period of 50 years.
<b>Output 2.5. Environmental sustainability and integrated landscape management considerations (e.g. protection of ecosystem service provision areas, biological corridors, fragile soils) incorporated into planning instruments of target districts</b>	
2.5.1.	Conduct technical data analyses to generate zonation maps based on the typology of land administration, social and economic context of the district.
2.5.2.	Overlay the maps of the jurisdictional ILM plans and commodity/suitability maps with the land use typology of the district.
2.5.3.	Analyse the overlaps and reconcile the maps with the existing land management / planning units (including concession and permit).
2.5.4.	Generate draft detail spatial zoning integrating ILM considerations.

No.	Activity
2.5.5.	Conduct public consultations and facilitations to establish consensus among stakeholders on the proposed zoning that integrates ILM considerations.
2.5.6.	Incorporate feedback from stakeholders and finalise the spatial zoning maps.
2.5.7.	In coordination with the local governments, disseminate and advocate for the adoption, implementation and monitoring of the ILM considerations.
2.5.8.	Deliver advisory support and provide technical inputs to district BAPPEDA for developing, amending, and updating planning instruments incorporating ILM considerations.
2.5.9.	Develop capacities and procedures in district BAPPEDA for adaptively amending and updating plans incorporating ILM considerations in the future.
<b>Component 2: Promotion of sustainable crop production practices and responsible value chains</b>	
<b>Outcome 3.1. Sustainable and responsible investment and finance through public-private-partnerships leveraged for implementation of sustainable value chains</b>	
<b>Output 3.1. Mechanisms available to farmers to provide finance/credit for sustainable production incorporating eligibility criteria based on sustainability</b>	
3.1.1.	Advise MoA and BDPKKS on definition of environmental sustainability criteria for farmer credit/incentive programmes.
3.1.2.	Carry out comparative analysis of existing regulatory framework for finance/credit mechanisms.
3.1.3.	Consult with key government agencies especially the MoA, MoF and FSA to determine appropriate mechanisms for smallholder finance/credit.
3.1.4.	Strengthen farmer organisations as channels for accessing finance and for communicating information on financing opportunities to farmers.
3.1.5.	Advocate expanded support to farmers from private sector partners.
<b>Output 3.2. Facilitating improved public-private-community collaboration and partnerships to strengthen sustainable production and sustainable value chains</b>	
3.2.1.	Selection of an intermediary organization to broker, facilitate and strengthen cross-sector collaboration and public private partnerships for sustainable production and sustainable supply chains.
3.2.2.	Engaging with existing sustainable production initiatives in the project jurisdictions to identify specific projects and activities that would benefit from increased support and investment from buyers.
3.2.3.	Use co-design processes in order to develop new PPPs and PPCPs to address gaps and unmet needs.
3.2.4.	Supporting sustainable production and supply chain projects (as per 3.2.2) to prepare presentation and communication materials for attracting increased support and investment from buyers.
3.2.5.	Engage with major industry groups in key demand markets to mobilize increased buyer investment and support in sustainable production and supply chain projects through existing coalitions and partnerships in the FOLUR target jurisdictions, as well as more broadly across Indonesia.
3.2.6.	Disburse low-value accelerator grants to fill gaps and provide incremental value to existing or new PPPs and PPCPs.
3.2.7.	Facilitate engagement with government and inter-governmental initiatives and sustainable development funders in key demand markets to identify opportunities for collaboration and inward investment and support for sustainable production and supply chain projects in the FOLUR target jurisdictions, as well as more broadly across Indonesia.
3.2.8.	Provide on-going capacity building, technical assistance, brokering and facilitation support to ensure the further development and strengthening of coalitions and partnerships for sustainable production and supply chain projects.
3.2.9.	Document and disseminate learning from any innovation in PPP and PPCP models.
<b>Output 3.3. Open innovation challenge introduced to identify solutions that can be scaled to address strategic issues</b>	
3.3.1.	Develop the concept for the Open Innovation Challenge and set up or link to an online platform.
3.3.2.	Establish a grant administration function and support the administration of the Open Innovation Challenge for the duration of the project.
3.3.3.	Engage strategic partners and raise financing for the financial prizes/grants.
3.3.4.	Launch up to Open Innovation Challenge invitations, evaluate proposals, announce grantees.
3.3.5.	Disburse low-value accelerator grants for strengthening enabling initiatives that are complementary to the Open Innovation Challenge topics.

No.	Activity
3.3.6.	Regularly evaluate results and lessons and develop a business plan for sustaining the Open Innovation Challenge after project closure.
3.3.7.	Produce communication materials, advocate for a long-term sponsor of the process, convene a workshop to showcase results and strengthen partnerships.
<b>Outcome 4: Smallholder farmers receiving increased value for their products through integrated value-chain traceability systems and improved grading for selected commodities and jurisdictions</b>	
<b>Output 4.1. Collaborative traceability system developed and demonstrated, involving supply chain actors at a jurisdictional level and incentivises participation of independent smallholders, e.g., through access to finance, credit scoring, training, etc.</b>	
4.1.1.	Assess needs, gaps, and current traceability systems through desktop reviews and stakeholder consultations.
4.1.2.	Develop a standard practice guidance for a collaborative traceability system that incentivises smallholder farmers and is scale-able, cost-efficient, and interoperable across tiers in the supply chain.
4.1.3.	Select one of the project jurisdictions for implementation of the standard practice guidance and socialise the concepts and reach agreement among the relevant stakeholders, including local government departments, smallholder groups, mills, downstream buyers, and local NGOs, for collaborating on a landscape or jurisdictional scale.
4.1.4.	Develop methodology and support collection of data and information on the commodity footprint in the selected FOLUR jurisdiction.
4.1.5.	Implement the standard practice guidance in the selected jurisdiction and/or landscape for an agreed timeframe.
4.1.6.	Analyse the results of the demonstration, assess the effectiveness of the approach and incentive mechanisms, and prepare a detailed case study.
4.1.7.	Share findings and lessons learned of the collaborative traceability demonstration through stakeholder workshop(s).
4.1.8.	Based on the findings and lessons learned demonstration implementation, formulate recommendations for incentivising smallholder participation in a collaborative traceability system.
4.1.9.	Prepare a draft technical regulation that operationalises the standard practice guidance for a collaborative traceability system and provides clear governance rules and functions for each tier level in the supply chain.
<b>Output 4.2. Guidance on grading for value additions developed for oil palm, cocoa, coffee, and rice</b>	
4.2.1.	Advisory support to MoA and CMEA in development of a guidance on grading for value additions for oil palm, cocoa, coffee and rice.
4.2.2.	Convene public consultations (especially with private sector companies) to obtain inputs from stakeholders on the draft grading guidance.
4.2.3.	Advocate for the endorsement of the grading guidance by the national and sub-national governments through socialization process and publications materials.
4.2.4.	Produce communications materials for socialization and conduct training on implementation of the guidance for agency staff and select smallholders.
<b>Outcome 5: Smallholder farmers and support services strengthened in target districts to implement sustainable and resilient production and farming systems</b>	
<b>Output 5.1. District-level plans of smallholder support interventions, reflecting stakeholder priorities, zoning and land classification</b>	
5.1.1.	In coordination and collaboration with the district's Plantation and/or Agriculture Office, identify priority locations for intervention based on the land use zoning maps.
5.1.2.	Collect information on the number and locations of smallholder plantations in these priority locations and determine the households that the project will target for intensification and land legalization interventions.
5.1.3.	Collect polygon maps of their plantations to ensure that they are located on "other use areas" (APL) or areas eligible for social forestry.
5.1.4.	Supported by participatory FPIC processes, finalise the maps of target smallholder households and their plantations to ensure full buy-in from smallholders to take part in the interventions.
<b>Output 5.2. Agricultural extension service systems including capacity building for extension officers strengthened in target districts to support smallholder farmers on the promotion of and increased uptake of sustainable production practices and farming systems</b>	
5.2.1.	In coordination and collaboration with the provincial and district Plantation and/or Agriculture Office, identify the existing extension officers within the provincial, district and sub-district governments, as well as

No.	Activity
	key people among communities suitable to become the champion for extension service provision in the target districts. Where applicable, such as at the district level, identify the trainers that the Project can engage as the extension officers to provide training for FOLUR target smallholders
5.2.2.	Conduct pre-training test on their knowledge related to (but not limited to): GAP, environment protection, land legality, gender empowerment, household financial management, ICS (Internal Control System), income diversification, sustainability certification (e.g., ISPO & RSPO).
5.2.3.	Provide Training of Trainers (ToT) to these selected people on (but not limited to): GAP, environment protection, land legality, gender empowerment, household financial management, income diversification, sustainability certification.
5.2.4.	Conduct post-training assessment to measure training retention, and provide ToT certificates to successful trainers
5.2.5.	Mainstream of options for environmental sustainability into extension modules of District extension offices, NGOs and private sector.
<b>Output 5.3. Support to smallholder capacity development and sustainability certification delivered for selected smallholder farmers within target districts</b>	
5.3.1.	Conduct a capacity needs-assessments on selected smallholder farmers.
5.3.2.	Establish and/or strengthen farmer groups, unions and/or cooperatives to pursue the formation of cooperatives for all of these farmers.
5.3.3.	Through a low-value grant modality, establish demonstration plot at the sub-district or village level in smallholder plantations agreed by them.
5.3.4.	Conduct training on the selected smallholder households comprising of, but not limited to: GAP, environment protection, household finance, gender empowerment, grading, land legality and sustainability certifications.
5.3.5.	Conduct regular monitoring of the training implementation of smallholders (e.g., through logbooks).
<b>Output 5.4. Support delivered to smallholder farmers for land tenure/legalization, enabling achievement of sustainable and resilient production and farming systems</b>	
5.4.1.	Support farmers to produce polygon map of their lands as well as conduct land verification by the district's Land Agency.
5.4.2.	Advisory support to farmers and farmer organizations (union/association/cooperative) on procedures for obtaining tenure security.
5.4.3.	In collaboration with district government, support the target smallholder households to obtain land legalization (SKT, AJB) and STDB.
5.4.4.	Support farmer organizations to access certification funding from certification body (i.e. RSPO Smallholder Support Fund) to undertake audit.
5.4.5.	In collaboration with partner company, support and/or mobilize support (especially from private sector) for farmers and farmer organizations to prepare for certification audits.
<b>Component 3: Conservation and restoration-rehabilitation of natural habitats</b>	
<b>Outcome 6: Models of management, incentives and governance catalysing biodiversity conservation, and land/habitat restoration of degraded priority ecosystems enabled in target districts</b>	
<b>Output 6.1. Detailed plans for conservation, restoration and sustainable management of priority degraded ecosystems formulated and adopted in target districts</b>	
6.1.1.	Based on the jurisdictional and detail zonation maps, identify priority ecosystems for the management plans, conduct field/ground checks to assess conditions, and carry out stakeholder mapping.
6.1.2.	Conduct public consultation and facilitation to achieve consensus on "priority ecosystems" for the management plans.
6.1.3.	Develop management plans for the agreed priority ecosystems, which will cover: (i) land utilization policy, (ii) restoration and rehabilitation policy, and (iii) incentive and disincentive mechanism policy.
6.1.4.	Develop detail costed action plans for the management.
6.1.5.	Administer a low-value grant mechanism to facilitate involvement by local communities.
6.1.6.	Liaise with local governments and other relevant stakeholders to ensure the adoption and implementation of the management plans.
6.1.7.	Develop communication and knowledge products to disseminate the plans to a wider group of stakeholders within the districts.

No.	Activity
<b>Output 6.2. Participatory models for conservation, restoration and sustainable management (e.g., social forestry) for critical ecosystems implemented in target districts, taking advantage of available incentive mechanisms</b>	
6.2.1.	Assess potential locations and consult with local governments, provincial forestry office and MoEF regarding intervention sites for implementing community-based ecosystem management and restoration (i.e. social forestry schemes: Customary Forest and Village Forest).
6.2.2.	Carry out FPIC to ensure buy-in from local communities to take part in the interventions.
6.2.3.	Develop management and restoration plans for the selected interventions, and identify appropriate incentive mechanism(s).
6.2.4.	As needed, liaise with national, provincial and/or district governments to obtain legal authorisations for the community-based ecosystem management and restoration interventions.
6.2.5.	Initiate implementation of the interventions, including mobilising resources for the incentive mechanisms.
6.2.6.	Monitor the implementation of the interventions on a regular basis.
<b>Output 6.3. Strengthened collaborative governance mechanisms and capacities supporting effective conservation and restoration-rehabilitation</b>	
6.3.1.	Strengthen capacities of local communities to contribute to enforcement and sanctioning, e.g. under social forestry arrangements
6.3.2.	Strengthen District Governments and FMUs to collaborate with local communities on enforcement and sanctioning
6.3.3.	Lobbying, awareness raising and budget planning support to provincial Governments on resourcing of enforcement capacities
<b>Component 4: Knowledge management, coordination, collaboration and monitoring &amp; evaluation</b>	
<b>Outcome 7: Integrated knowledge management, coordination, and collaboration to enhance knowledge of factors to foster lessons learned for replication in other areas</b>	
<b>Output 7.1. Project implementation controlled through proactive steering committee functions and inclusive monitoring and evaluation</b>	
7.1.1.	Organise the project inception workshop, including review of multi-year work plan, project results framework, tracking tools, stakeholder engagement plan, environmental and social management framework (ESMF), etc.; a record of the inception workshop will be documented in a project inception report.
7.1.2.	Organise annual project stakeholder workshops, supported by the Technical Advisory Group, as part of the annual work plan preparation and adaptive management.
7.1.3.	Organise project board meetings annually at a minimum.
7.1.4.	Carry out regular monitoring and evaluation of project implementation.
7.1.5.	Carry out a midterm assessment of the GEF core indicators for the project and other results.
7.1.6.	Procure and support an independent midterm review of the project, according to UNDP and GEF guidelines.
7.1.7.	Carry out an end-of-project assessment of the GEF core indicators for the project and other results.
7.1.8.	Procure and support an independent terminal evaluation of the project, according to UNDP and GEF guidelines.
7.1.9.	Prepare the final report for the project; including the PIR for the last year of implementation, the terminal evaluation report, and the management response to the terminal evaluation report.
7.1.10.	Develop and initiate the implementation of a project sustainability plan.
<b>Output 7.2. Inclusive participation of local communities, including women and traditional peoples, facilitated through effective implementation of environmental and social management plan</b>	
7.2.1.	Carry out an Environmental and Social Impact Assessments (ESIA) and Social and Environmental Strategic Assessments (SESA) for the project.
7.2.2.	Based upon the results of the ESIA/SESA, develop an Environmental and Social Management Plan (ESMP) and other management plans for the project.
7.2.3.	Actively monitor the implementation of the ESMP and the gender action plan and applying adaptive management measures to adjust to changing circumstances.
<b>Output 7.3. Adaptive management methodology developed to monitor, evaluate, and respond to causal impacts and systemic change</b>	
7.3.1.	Develop an appropriate impact evaluation design for FOLUR project based on the established theory of change (ToC).

No.	Activity
7.3.2.	Referring to the ToC, conduct an evaluability assessment, which main output is a report detailing the analytical and methodological approach of the impact evaluation, and finalise the impact evaluation framework for the project.
7.3.3.	Conduct regular monitoring and evaluation, as well as impact evaluation of the project, documenting results in mandatory quarterly M&E reports and separate reports on progress towards impact and systemic change.
<b>Output 7.4. Knowledge management and outreach system developed for supporting scaling out across jurisdictions/provinces and nationally, regionally, and globally</b>	
7.4.1.	Develop a knowledge management and outreach strategy and action plan.
7.4.2.	Design and capacity development for the establishment, management and use of knowledge exchange systems, including social media platforms.
7.4.3.	Develop and disseminate knowledge products
7.4.4.	Strengthening of role of CMEA in learning exchange through establishment national exchange
7.4.5.	Multi-stakeholder platforms on lessons learned on ILM at province and district level
7.4.6.	Strengthening of role of BAPPEDA in learning exchange through sub-national learning platform
7.4.7.	Convene annual FOLUR lessons learned workshops
<b>Output 7.5. Participation in Global FOLUR CoP and other relevant platforms on knowledge and lessons exchanges</b>	
7.5.1.	Actively participate in Global FOLUR's communities of practice, including GCP
7.5.2.	Participate in regional (esp. including Malaysia and Papua New Guinea) commodity platform gatherings / discussions with private and public sector representatives
7.5.3.	Participate in training workshops, regional communities of practice (sharing knowledge, successes, lessons learned)
7.5.4.	Host two FOLUR regional workshops/events.
7.5.5.	Contribute to the development of FOLUR annual progress reports and quarterly M&E reports
7.5.6.	Contribute to the development of FOLUR knowledge, technical and policy products
7.5.7.	Contribute towards annual M&E results reporting to the Global Flagship Project for consolidation and reporting to GEF

## 1.2 Purpose and scope of this ESMF

The ESMF is a management tool to assist in managing potential adverse social and environmental impacts associated with project activities, in line with the requirements of UNDP's Social and Environmental Standards. The implementing partners of the project and the relevant members of the project management unit will follow this ESMF during the start of the project implementation to ensure the environmental and social risks and impacts are fully assessed and management measures are in place prior to the implementation of the relevant project activities.

The document forms the basis upon which the implementing partners will develop their specific Environmental and Social Management Plans to ensure that significant adverse environmental and social impact mitigation and management measures are implemented and monitored as required. It identifies the steps for detailed assessment of the project's potential social and environmental risks, and for preparing and approving the required management plans for avoiding, and where avoidance is not possible reducing, mitigating and managing the identified adverse impacts of this project.

It also sets out the additional safeguards measures that apply to the project during the inception phase, including but not limited to:

- I. conducting a Strategic Environmental and Social Assessment (SESA), assessing impacts associated with "upstream" aspects of the project involving planning support, policy advice and reform, and/or capacity building.
- II. conducting an Environmental and Social Impact Assessment (ESIA), to assess "downstream" impacts of on-the-ground activities identified in the SESP, paying particular attention to impacts on poor and marginalized individuals, groups and communities.

- III. screening of project activities and specific interventions/outputs not yet fully specified, using the SESP, to ensure that associated impacts are adequately managed.

This ESMF will be publicly disclosed in line with UNDP's Information Disclosure Policy and SES. Free, Prior Informed Consent (FPIC) will be applied for any identified activities which may affect the rights and interests, lands, territories, and resources of indigenous groups, including but not limited to the implementation of the ESMF.

At this stage, on-the-ground activities and specific locations have not been fully specified, they cannot be fully assessed for all potential social and environmental risks and impacts. As such, this ESMF has been prepared to set out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of the project as they are developed and designed.

### 1.3 Potential Social and Environmental Impacts

During project development, the project was reviewed using UNDP's social and environmental screening procedure (SESP). The analysis identified a range of potential social and environmental impacts associated with the project activities. The SESP report (Enclosure 9.1) details the specific environmental and social risks that apply. The significance of each risk, based on its probability of occurrence and extent of impact, has been estimated as being either low, moderate or high. Based on the significance of these individual risks, the project has been allocated an overall SESP risk categorization rating of "High", the overall risk category being taken from the highest rating allocated to any individual risk. i.e. if a project has one or more high risks, it has a high overall risk categorization.

**High Risk:** is defined by UNDP's SES<sup>1</sup> as *"Projects that include activities – either "upstream" or "downstream" activities - with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process. High risk activities may involve significant impacts on physical, biological, ecosystem, socioeconomic or cultural resources. Such impacts may more specifically involve a range of human rights, gender, and/or environmental sustainability issues."*

**Moderate Risk:** is defined by UNDP's SES<sup>2</sup> as *"Projects that include activities with potential adverse social and environmental risks and impacts that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard best practice, mitigation measures and stakeholder engagement during Project implementation."*

The following risks have been identified in the SESP (see **Enclosure 9.1**) as **High**:

**Risk 1:** The project will focus on increasing enforcement and protection of priority/essential ecosystems outside the existing conservation areas, through which the management of approximately 1.47 million hectares will be improved for protection and/or limited cultivation. Improved enforcement of landscape protections and new approaches to land management could result in changes to current access to resources, potentially leading to economic displacement. Spatial planning and zoning of land can further restrict access and use of certain lands from collection of fuel wood, hunting, gardening, or introduce restrictions to the use of customary land as per agreed zoning areas. This could have a detrimental effect on livelihoods

**Risk 3:** Changes to land tenure arrangements may result in loss of informal or customary land tenure rights, exposing people without registered legal entitlement to the land they farm to economic or physical displacement, or exclude them from project benefits. Although this has potential to benefit some, it could also have adverse impacts on marginalized or unempowered people such as forest users, potentially leading to changes of land use and/or economic or physical displacement. Informal land tenure arrangements and/or a failure to update official land use records may result in the exclusion of non-registered farmers from project benefits, especially benefits under Component 2. Although the exact numbers of informal or unregistered land users are not known, this may affect significant

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<sup>1</sup> UNDP SES, page 47.

<sup>2</sup> UNDP SES, page 47.

numbers of people, (the risk rating is a worst-case scenario). The risk may apply particularly to marginalized /vulnerable groups.

- Risk 6:** The project may have adverse impacts on the rights, lands, resources and territories of Indigenous Peoples (known as in Indonesia as “customary people”). Indigenous People might not be fully involved in project design and therefore not engaged in, supportive of, or benefit fully from project activities.
- Risk 7:** Local governments (sub-national level) and community associations might not have the capacity to implement project activities successfully. Currently there is weak implementation of national policies at provincial and district levels, resulting in inadequate forest governance and weak enforcement of regulations at the local level. Community-level farmer organizations are of varying strength and may lack capacity to influence project design. A lack of incentives for the local governments, smallholder farmers, traders, buyers and exporters to focus on conservation and restoration results in unsustainable practice in commodity supply chains at the jurisdictional level.
- Risk 8:** Field- and policy-level activities related to the value chains of key commodities could inadvertently support child labour and other violations of international labour standards. The project therefore has clear potential to produce a net benefit in improving labour standards compliance through promotion of third-party certification standards. Due diligence safeguard procedures have been conducted for prospective private sector partners, but in view of the general poor adherence to international labour standards in the agricultural sector (including child labour), and the number of smallholders who may be using occasional or semi-permanent casual labour, this may be difficult to monitor and enforce at the field level. This has the potential for reputational damage to UNDP and FAO.
- Risk 11:** A failure of the project to benefit vulnerable groups, due to “Elite Capture” of project benefits. Powerful community leaders, landowners and commercial interests may dominate the process of land use development at the local level, due to customary power structures, which may further isolate marginalized/ vulnerable groups from the decision-making processes, excluding their inputs from consideration. A singular focus on investment-heavy cash crops risks concentrating benefits in the hands of those with access to capital and other means of production, at the expense of the poor whose low-input livelihood support activities may be marginalized. There is also a possibility that an increased focus on cash crops marginalizes women and children by displacing their food production.
- Risk 12:** Informal farmers, or those without registered legal entitlement to the land they farm, may be excluded from project benefits, especially benefits under Component 2. This may apply especially to marginalized or vulnerable groups.
- Risk 17:** Project activities and outcomes will be vulnerable to the potential impacts of climate change. Climate change is contributing to the expansion of coffee into higher altitudes, threatening conservation forests, resulting in an increase in pests and diseases and a consequential increase in the use of chemical inputs. Both coffee and cacao may become unviable, while rice production is also likely to be affected. Although oil palm may be relatively resilient, climate change is highly likely to impact a cash-crop focused model of development.
- Risk 20:** Risk imposed by COVID-19 pandemic or similar disease outbreak, having implications at international, national and sub-national levels. The project preparation phase coincided with the outbreak of the COVID-19 pandemic. Project implementation activities could be suspended or delayed in case of continuation or recurrence of the COVID-19 pandemic or similar. A pandemic may also disrupt food supply chains, resulting in potential implications for food security if local food production is reduced as a result of increased emphasis on commodity production.

In addition, the following risks have been identified and assessed as being **Moderate**:

- Risk 2:** Improved enforcement of landscape protections and new approaches to land management could result in changes to current access to resources, potentially leading to temporary or permanent and partial or full physical displacement. To preserve the integrity of the protection and conservation forests as well as buffer zones, prohibition on cultivating these areas may have to be enforced.
- Risk 4:** Low participation rates among smallholders. Insufficient numbers of farmers/smallholders may take up incentive schemes, due to lack of information, perceived insufficient compensation, bureaucratic

delay, wariness of officialdom, additional labour requirements or different priorities, and a historic legacy from disappointing experiences with previous land use schemes.

- Risk 5:** Vulnerable or marginalized groups, or other stakeholders might not be fully involved in project design and therefore not engaged in, supportive of, or benefit from project activities. Marginalized/vulnerable farmers, or sharecroppers who do not own their land, could potentially be excluded from discussions on its management, improvements and some potential benefits. This may include smallholders, sharecroppers, tenants, landless, women, ethnic minorities, disabled, and others.
- Risk 9:** Project activities and approaches might not fully incorporate or reflect views of women and girls and ensure equitable opportunities for their involvement and benefit. The lack of specific inclusion of women within community activities that have the potential to help generate income, such as spatial planning at the subnational level, or commercial plantations, subsistence farming or market gardening, may ultimately impact women and girls disproportionately to the rest of the community. Lack of a proactive approach towards a participatory gender inclusive stakeholder engagement process within land use and development planning activities, Oil Palm / Cocoa / Coffee / Rice Policies and Environmental Management and Governance activities may result in the limited incorporation of a gender perspective.
- Risk 10:** Existing conflicts related to land use and/or ownership could be exacerbated or reignited by project. A degree of distrust of arrangements with large-scale commodity producers exists as a legacy of past agreements whereby communities have lost a degree of control over land use. This has been identified as an issue in Sanggau, as well as in North Sumatra. Conflict between adjacent landowning groups which did not previously exist might be ignited if activities on demarcation of land boundaries/spatial planning/zoning is introduced. Conflicts could result between local communities on which land to allocate for community forestry, areas designated for tree planting etc. as part of environmental planting activities. Land titling may “rock the boat” by formalizing tenure in the hands of specific individuals/groups whereas previously there may have been informal, tacit agreements on use and extraction by multiple parties.
- Risk 14:** Potential exists for the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts. Excessive use of fertilizers as part of oil palm, cocoa, coffee and rice development could lead to contamination of rivers and water sources for drinking and impact on soil degradation and the overall degradation of the natural habitat in that specific area. Intensification of commodity agriculture and processing can lead to increased amounts of wastes, fertilizers and/or pesticides released into the environment.
- Risk 15:** The project aims to restore 20,000 ha of degraded ecosystems outside protected/conservation areas involving government, private sector and local communities. Poorly designed or executed project activities could damage critical or sensitive habitats, including through the introduction of invasive alien species during forest restoration activities. There are risks of introducing IAS if the restoration plans are not properly formulated.
- Risk 16:** Low value grants will be made to conservation agencies, protected area management administrations, NGOs, community-based organizations or local governments for forest restoration activities, agroforestry, and extension work on good agricultural practices. There is a risk that these may not be implemented in full accordance with the UNDP Social and Environmental Standards.
- Risk 18:** Workers in commodity supply chains (including smallholder producers) might be exposed to hazards in their use of chemical inputs (pesticides, fertilizers etc.) without adequate PPE, training and safeguards, or which might be subject to international bans. Farmers and workers are often ill-informed about the dangers of agricultural chemicals and correct safety procedures
- Risk 19:** A failure to establish the correct balance between improving per hectare commodity production with improved enforcement of land use regulations might in certain locations produce a counter-productive result. There is a possibility that increasing the per ha profit from commodity production might lead to an increased incentive to expand production into protected areas, particularly where enforcement of land use regulations is lax.

Further details of identified risks, including 2 risks rated as low, are contained in the SESP report in **Enclosure 9.1**.

## 2 Legislation and Institutional Frameworks for environmental and social matters

This section provides a preliminary review of the policy, legal and institutional (PLR) framework related to the potential risks and benefits of the proposed project and prospective activities to be implemented with the use of the funding received. The PLR framework underpins how social and environmental safeguards will be addressed and respected. This analysis will be further expanded in the ESMP when the SESA is conducted, to compare national PLRs to the social and environmental standards as appropriate to specific project activities and indicate institutional and operational capacities and/or weaknesses, with recommendations to address identified gaps or weaknesses where appropriate.

### 2.1 National Legislation, Policies and Regulations

The following provisions are key to the environmental and social management of the project, and their provisions must be reflected in the ESMPs. These, and other provisions, are further discussed in Appendix O, and further examination of the impact and significance of national legislation will be contained in the Strategic Environmental and Social Assessment.

#### 2.1.1 Land and forest designation and tenure

Indonesia’s official forest designation is divided into two main categories: state forest comprising all forest lands that have no private entitlement, and non-state forest, consisting of all titled land.

All forest, state and non-state, is subject to zoning by the Ministry of Environment and Forestry to integrate production, protection, and conservation. The Ministry of Environment and Forestry issues forestry concessionaire licenses for private companies and state-owned companies within the production forest zone of state forest lands. State forest lands defined as serving conservation purposes are managed by the National Parks authorities within the Ministry of Forestry, while state forest lands allocated for protection purposes are managed by the local governments.

Three main classification of forest function have been established within these designated state forest areas: production, conservation, conversion. The production forest areas have been designated mainly for timber production meanwhile conservation forests are set aside for wildlife and ecosystems conservation as well as watershed protection. The forest that has been designated to be converted can be cleared for agriculture plantation. In practice, however, some oil palm, mining activities, and other government sponsored development projects has been allocated in production areas or even in the areas designated for conservation or protection.

Non-forest areas, also known as the area for other purposes (Areal Penggunaan Lain, APL), are under the administration of the National Land Agency. Around 30 % of non-forest areas is formally titled (as privately owned lands).

Indigenous People, (known in Indonesia as “customary people” or “masyarakat adat”) have rights, although not absolute rights, in relation to state land. While such lands are managed by customary communities, the state retains ultimate rights over property, the right to build, the right to exploit, the right to manage and the right to use.

Table 2 below provides a summary of forest ownership and management rights:

*Table 2: Forest Ownership and Management Rights*

Categories	Definitions
Public ownership	Forest owned by the State or administrative units of the public administration or by institutions or corporations owned by the public administration
Private ownership	Forest owned by individuals, families, communities, private co-operatives, corporations and other business entities, private religious and educational

	institutions, pension or investment funds, NGOs, nature conservation associations and other private institutions.
Individuals ( <i>sub-category of Private ownership</i> )	Forest owned by individuals and families.
Private business entities and Institutions ( <i>sub-category of Private ownership</i> )	Forest owned by private corporations, co-operatives, companies and other business entities, as well as private non-profit organizations such as NGOs, nature conservation associations, and private religious and educational institutions, etc.
Local communities ( <i>sub-category of Private ownership</i> )	Forest owned by a group of individuals belonging to the same community residing within or in the vicinity of a forest area. The community members are co-owners that share exclusive rights and duties, and benefits contribute to the community development.
Indigenous / tribal communities ( <i>sub-category of Private ownership</i> )	Forest owned by communities of indigenous or tribal people
Other types of ownership	Other kind of ownership arrangements not covered by the categories above. Also includes areas where ownership is unclear or disputed.

Source: FAO Global Forest Resource Management 2010

### 2.1.2 Forest certification mechanisms

The Ministry of Environment and Forests has full authority to regulate and organize all aspects related to forests and their management, to assign forest status, and determine legal relations between people and forests. Forest areas are then classified based on their main functions: conservation forest, production forest and conversion forest. a forest that can be converted into other land use. Change of use, or the granting of legal land ownership rights requires actions by a number of key government agencies, including the Ministry of Environment and Forestry, regional and local governments, the land agency (BPN), legislative and law enforcement agencies and the judiciary.

A change of designation from forest to non-forest is allowed for the purposes of a development which excludes forestry activities on a permanent basis, the removal of an enclave in order to simplify the management of area of forest, or improvement of boundaries of a forest area. A change in the principle function of an area of forest permits changes between Conservation forest, protected and production forests, following an evaluation by the Ministry. Activities such as mining, logging, and clearing forest land for plantations require a series of permits from various government agencies and various tiers of government depending on the activity and the land for which it is planned. For a license to be allocated, the landowner and the local community must be consulted.

### 2.1.3 Oil Palm

Major palm oil companies in Indonesia often resort to illegally expanding their plantations into neighbouring forests, which in many cases results in deforestation of rainforests. The development of oil palm, like many other development sectors, involves various government ministries and institutions, from the national to local levels. Applicants are required to obtain three types of licence for oil palm plantations, for business, cultivation and processing, and a company can own or control no more than 20,000 hectares in one province (or twice that in West Papua), or 100,000 hectares nationally. For plantations over 25 hectares, all companies require a location permit (izin lokasi) from the governor. Applicants are obliged to build facilities and clear land (without burning) within two years.

### 2.1.4 Community-based land and forest management mechanisms

More than 20% of the total area of Indonesia's forest area is set aside for Community Forests (HKm), Village Forests (HD), Community Plantation Forests (HTR), Customary Forests (HA), and partnerships, and the total of such lands has increased from 500,000 hectares in 2014 to 12.7 million hectares in 2019. A summary of relevant schemes is included in Table 3 below.

Table 3: Community Forest Schemes

Scheme	Location	Authority and Permits	Applicant	Applicant
HD	Protection forest and production forest	HPHD (Village Forest Management Right)	Village cooperative (koperasi) and BUMDes (Village Owned Business Entity)	35 years and can be extended

Scheme	Location	Authority and Permits	Applicant	Applicant
HKm	Protection forest and production forest	IUPHKm	Community Group	
HTR	Production Forest	IUPHHK-HTR	Individual/ group and cooperation	
Forestry Partnership	Protection forest, Conservation Forest and production forest	Agreement	Community and group	
HA	Communal Lands	Decree recognition and protection	Communal community	Control right and property right (Hak menguasai dan hak memiliki)

### 2.1.5 Indigenous laws and customs pertaining to land use and tenure

The Basic Principles of Agrarian Law (UUPA) forms part of the Constitution of Indonesia, and guarantees land rights to customary communities, and guarantees that recognized customary land, used by customary people, cannot be transferred to private ownership. Only where customary people are no longer tied to land, can such land be returned to state ownership. However, the MoEF retains some jurisdictional control over the way land is managed, and owners/custodians of customary land have the right to utilize their forests only insofar as such use does not conflict with the forest's designated function. Hence the MoF or the government may only intervene in designating the functions of particular forests, but utilization of customary forests shall be conducted by the customary law communities concerned. Use of customary forests designated as having protection and conservation functions may be conducted, as long as it does not disturb those functions. The issue of customary land use occurs when there is an effort to contradict both laws in the management and ownership of customary land. In some provinces in Kalimantan and Sumatra this issue arises due to the takeover of rights to customary land by an oil palm plantation company.

### 2.1.6 Spatial arrangements for land use

Land use designations are further governed under the spatial planning regulations, in accordance with Law No. 26 of 2007 on Spatial Planning. This governs the coordination and implementation of national spatial planning strategies and coordinates the formulation and implementation of cross-sectoral and cross-border spatial planning at national, provincial and district levels. The general national spatial plan is a policy direction and strategy for the use of national spatial areas which are prepared to ensure a balance of development activities across sectors, and harmony between the natural and built environments.

The law assigns responsibility for spatial planning to the regions, and aims to ensure that land allocations to infrastructure, industry, green open areas, cultivation and sustainable agricultural land, and forest areas are in line with national level priorities. Spatial planning regulations delineate protected areas for protection and cultivation areas for development, and the central government has authority to regulate, empower and supervise national spatial plan, and facilitate cooperation among the provinces.

## 2.2 International Agreements and Treaties

Indonesia has ratified the following core International Human Rights Instruments:

- CCPR - International Covenant on Civil and Political Rights (2006),
- CEDAW - Convention on the Elimination of All Forms of Discrimination against Women (1984),
- CRC - Convention on the Rights of the Child (1990),

and has acceded to:

- ICERD - International Convention on the Elimination of All Forms of Racial Discrimination (1999)
- ICESCR - International Covenant on Economic, Social and Cultural Rights (2006).

Where international or national legislation is not present the project will follow international best practice.

### 2.3 UNDP’s Social and Environmental Standards

UNDP’s Social and Environmental Standards (SES), which came into effect 1 January 2015, underpin UNDP’s commitment to mainstream social and environmental sustainability in its programs and projects to support sustainable development, and are an integral component of UNDP’s quality assurance and risk management approach to programming. Through the SES, UNDP meets the requirements of the GEF’s Environmental and Social Safeguards Policy.

The objectives of the SES are to:

- Strengthen the social and environmental outcomes of Programs and Projects
- Avoid adverse impacts to people and the environment
- Minimize, mitigate, and manage adverse impacts where avoidance is not possible
- Strengthen UNDP and partner capacities for managing social and environmental risks
- Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.

UNDP uses its [Social and Environmental Screening Procedure](#) (SESP, **Enclosure 9.1**) to identify potential social and environmental risks and opportunities associated with all proposed projects. The SES underpin UNDP’s commitment to mainstream social and environmental sustainability in its Programs and Projects to support sustainable development. Each project is scrutinized as to its type, location, scale, sensitivity and the magnitude of its potential social and environmental impacts. All project components are screened, including planning support, policy advice and capacity-building, as well as site-specific, physical interventions. Activities that will be completed under project co-financing are also included in the scope of the assessment.

Through the GEF Accreditation Process, the SES are acknowledged to be consistent with the GEF’s Environment and Social Standards.

The SES, outlined in Table 4, are an integral component of UNDP’s quality assurance and risk management approach to programming.

Table 4: Key Elements of UNDP’s Social and Environmental Standards (SES)

Overarching Policy	Project-Level Standards	Policy Delivery Process & Accountability
<b>Principle 1:</b> Human Rights  <b>Principle 2:</b> Gender Equality and Women's Empowerment  <b>Principle 3:</b> Environmental Sustainability	Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	Quality Assurance Screening and Categorization Assessment and Management Stakeholder Engagement and Response Mechanism  Access to Information Monitoring, Reporting, Compliance review
	Standard 2: Climate Change Mitigation and Adaptation	
	Standard 3: Community Health, Safety and Working Conditions	
	Standard 4: Cultural Heritage	
	Standard 5: Displacement and Resettlement	
	Standard 6: Indigenous Peoples	
	Standard 7: Pollution Prevention and Resource Efficiency	

The Standards are underpinned by an Accountability Mechanism with two key functions:

- 1) A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by UNDP projects have access to appropriate procedures for hearing and addressing project-related grievances; and
- 2) A Compliance Review process to respond to claims that UNDP is not in compliance with UNDP's social and environmental policies.

Where projects are rated as being High Risk, comprehensive social and environmental assessment is required, together with the identification of management mechanisms to mitigate identified risks. The assessment must be commensurate with the magnitude and severity of foreseen risks.

The nature of the assessment will vary according to the type of risk foreseen. Where potential impacts are foreseen from "upstream" project activities, such as those involving planning support, policy advice and reform, or capacity building, they are typically assessed using forms of Strategic Environmental and Social Assessment (SESA). Risks and impacts associated with projects that have a physical footprint ("downstream" activities) are typically addressed through a full Environmental and Social Impact Assessment (ESIA).

The Social and Environmental Screening Procedure (SESP) has been applied to the project during the project development phase, as required by the UNDP SES, and is included as **Enclosure 9.1**. Under this procedure, when a potential risk is identified and assessed as having either a 'moderate' or 'high' risk rating based on its probability of occurrence and magnitude of impact, a standard or principle is triggered. (Risks that are assessed as 'low' do not trigger the related principle or standard).

The SESP identified 21 risks for this project that could have potential negative impacts in the absence of safeguards. Two of these risks were rated as Low, ten as Moderate and nine as High.

The screenings indicate that up to six of the ten social and environmental principles and standards have been triggered due to 'high' risks. They are:

- Principle 1: Human Rights (due to the risk that project benefits could have inequitable adverse impacts on people living in poverty or marginalized or excluded individuals or groups); potential violations of labour standards; inequitable distribution of project benefits and lack of access to information.
- Principle 3: Environmental Sustainability (due to the risk that improved enforcement of landscape protections and new approaches to land management could result in changes to current access to resources, potentially leading to temporary or permanent and partial or full physical and/or economic displacement,).
- Standard 2: Climate Change Mitigation and Adaptation, due to the risks posed by climate change.
- Standard 3: Community Health, Safety and Working Conditions (due to potential for violations of international labour standards).
- Standard 5: Displacement and Resettlement (due to potential economic displacement associated with enhanced enforcement of land use regulations).
- Standard 6: Indigenous Peoples (due to the potential of the project to impact the human rights, lands, natural resources, territories and traditional livelihoods of indigenous peoples)

In addition, seven of the ten Principles and Standards are triggered due to potential impacts rated as "moderate". They are:

- Principle 1: Human Rights
- Principle 2: Gender Equality and Women's Empowerment
- Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management
- Standard 2: Climate Change Mitigation and Adaptation
- Standard 3: Community Health, Safety and Working Conditions
- Standard 4: Cultural Heritage
- Standard 7: Pollution Prevention and Resource Efficiency

There is one further risk, that field level activities carried out by third parties under Low Value Grants issued as part of the project, may be implemented without adherence to any single, or all, of the UNDP Social and Environmental Standards. Theoretically, in the absence of appropriate controls on those third parties, any of the standards could be breached. As the risk is assessed as being Moderate, ***it therefore triggers, on a precautionary basis, all standards and principles*** and requires special attention.

Further details on the risks and categorizations is contained in the SESP report, which is attached as **Enclosure 9.1**.

A summary of the risk significance under each SES principle and standard, and the project-level safeguard standards triggered by each project is shown in Table 5 below.

Table 5: Summary of safeguards triggered based on screening conducted during project preparation

Overarching Principle / Project-level Standard	Rating
Principle 1: Human Rights	✓ High
Principle 2: Gender Equality and Women’s Empowerment	✓ Moderate
Principle 3: Environmental Sustainability	✓ High
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	✓ Moderate
Standard 2: Climate Change Mitigation and Adaptation	✓ High
Standard 3: Community Health, Safety and Working Conditions	✓ High
Standard 4: Cultural Heritage	Moderate
Standard 5: Displacement and Resettlement	✓ High
Standard 6: Indigenous Peoples	✓ High
Standard 7: Pollution Prevention and Resource Efficiency	✓ Moderate
<b>Number of risks in each risk rating category</b>	
High	9
Moderate	10
Low	2
Total number of project risks	21
Overall Project Risk Categorization	High
Number of safeguard standards triggered	9

## 2.4 Gaps in policy framework

The Strategic Environmental and Social Assessment and Environmental and Social Impact Assessment will include further analysis of the legal and policy frameworks that apply to the project, identifying gaps and strategies to enable the project’s policy-level activities to operate with and alongside state and federal jurisdictional realms.

### 3 Procedures for Screening, Assessing and Managing Social and Environmental Impacts

#### 3.1 Screening

The SESP has been conducted on the basis of the broad scope of project activities currently envisaged. This has identified the project as being potentially of high impact, and as such it requires further comprehensive Environmental and Social Impact Assessment. The potential impacts and management strategies are therefore designed to manage the identified impacts in their broadest sense, and the allocated significance rating of Low, Moderate or High is based on a precautionary approach.

While jurisdictions, provinces and districts of operation have been established, exact locations for on-the-ground activities (and hence the project’s direct beneficiaries and project-affected communities), have not been specified at the present stage of project development. Additionally, specific activities with a physical footprint are not currently defined and may in themselves present additional risks/impacts.

The relevance of these risks may vary across sites, and the significance or likelihood of the risks or impacts identified by the current SESP will not necessarily be uniform across all locations. Further screening is required to identify risks’ site-specific significance, and to effectively target any required further impact assessment or management.

Locations, and proposed project activities specific to those locations will be defined during the first year of the project. Once the initial project activities are fully specified and exact locations selected, further screening using the SESP will be required to ground-truth and update the SESP, and to determine whether additional social and environmental impacts may be present that will require further assessment and management.

In addition, during the course of the project, activities, outputs and potentially additional locations not already covered by the existing SESP, will be proposed and developed. Such proposed activities will, as they arise, require screening, assessment and management, using the SESP methodology to ensure that any impacts are identified, their significance is established, and any required impact-specific management actions are developed and applied.

Screening will be the responsibility of the PMU and the Gender-Safeguards Officer.

#### Ongoing Screening Requirements

Over the course of the project, further project activities which have not yet been included in the existing SESP, nor subsequent updates, may be proposed. All additional proposed activities will be subject to screening using the SESP template, impacts identified and categorized as “High”, “Moderate” or “Low”.

The ESMP must therefore ensure:

1. Additional screening with the SESP on a site-specific basis, to ground-truth and update the existing SESP. This is required as soon as proposed locations and on-the-ground activities are proposed and must take place during the first year of project operation. The SESP may also be used as part of the site-selection process.
2. Further screening of all newly proposed activities, as they are proposed during the project, on a location- and activity-specific basis.

#### Summary of ESMP Screening (SESP) Requirements

Screening Focus	Purpose	Timing	Responsible
Existing SESP	Re-screening for ground-truthing, identification of project-affected people/beneficiaries, and site-specific impacts.	During Year 1, As specific sites, beneficiaries and project-affected communities are identified.	UNDP Gender-Safeguards Officer

Screening Focus	Purpose	Timing	Responsible
Proposed additional activities.	Updating existing SESP	At least annually, throughout the project, as specific activities are appraised	UNDP Gender-Safeguards Officer

### 3.2 Assessment.

The SESP has identified the project as being High risk. As such, comprehensive environmental and social impact assessment is required in order to identify and assess impacts and develop management mechanisms to mitigate identified risks.

Potential impacts from “upstream” project activities which involve planning support, capacity building, policy advice and reform, will be assessed through a Strategic Environmental and Social Assessment (SESA). An Environmental and Social Impact Assessment (ESIA), assessing planned downstream, on-the-ground activities with a physical footprint, will address direct impacts to communities and individuals from on-site project activities.

Both assessments will develop strategies for avoiding, reducing and managing adverse impacts and enhancing positive impacts, and the outputs of both assessments will inform the overall Environmental and Social Management Plan.

The SESA and ESIA will be implemented as follows:

#### 3.2.1 Strategic Environmental and Social Assessment:

At project inception, the UNDP Country Office will commission appropriate experts to conduct a Strategic Environmental and Social Assessment, which will assess potential impacts from, and strategies for, upstream policy-level project activities.

The SESA will evaluate the effect of policy changes on a broad, cross-sectoral basis with the aim of making policy decisions and other upstream actions more sustainable. The assessment of upstream impacts will integrate environmental and social considerations into policies, plans and programmes and evaluate their interlinkages with economic and sustainability considerations. The SESA process will examine the linkages between the two and anticipate the potentially adverse impacts of policies at the site level.

Information and strategies identified will inform decision-making and will be used to guide subsequent assessments of downstream activities.

As a high-level document, the SESA is based on the broad scope of envisaged high-level project activities. As these are already identified and broadly defined, work on the SESA will commence at an early stage.

The detailed scope of the SESA will be refined by the experts conducting the assessment. The report will identify strategies for effective management of identified impacts, which will inform the impact management approach adopted.

#### 3.2.2 Environmental and Social Impact Assessment (ESIA):

The ESIA will commence in the first year following project inception and should commence as soon as specific project locations are selected. It will focus on, but not be restricted to the potential impacts identified during the SESP screening process, which are a result of proposed on-the-ground project activities in their location-specific contexts. The assessment therefore requires that sites and locations be specified, and proposed activities specific to those sites are identified. As such, the ESIA can take place only when those proposed sites and activities are specified.

The ESIA will be developed and carried out by independent experts in a participatory manner with stakeholders during the first year of the project and as part of the workplan preparatory activities. This will involve stakeholder consultations and engagement, as well as research, fieldwork, and management planning. See also Section 5 below on Stakeholder Engagement and Information Disclosure.

UNDP PMU will commission the ESIA, in conjunction with the SESA. The assessment(s) will be conducted in a manner consistent with national regulations and the UNDP SES and lead to the development of appropriately scaled management measures and plans to address the identified risks and impacts.

The ESIA will:

- Screen social and environmental issues and impacts specific to the local context.
- Further clarify the applicable social and environmental standards (including UNDP SES) triggered by the project activities.
- Take steps necessary in the context of the ESIA to fulfil those requirements and make recommendations on how such compliance is to be carried out through the life of the project.

The UNDP SES and SESP require that in all cases required social and environmental assessments and adoption of appropriate mitigation and management measures must be completed, disclosed and discussed with stakeholders prior to implementation of any activities that may cause adverse social and environmental impacts.

**Assessment** of further activities will be commensurate with the magnitude of the envisaged risk, and targeted specifically at the associated risks, especially considering risks to poor, vulnerable or marginalized communities and individuals. Full stakeholder consultation will be required at all stages.

**Summary of Assessment Requirements**

Focus	Assessment	Timing	Responsibility
Upstream Activities	Strategic Env. and Social	To commence within 6 months of project inception	UNDP PMU and external consultants
Downstream Activities	Environmental and Social	To commence as specific project locations are proposed, at the latest within 1 year of project inception. Completion within 6 months.	UNDP PMU and external consultants
Specific additional Project Activities rated as potentially Moderate or High impact	SESA/ESIA as appropriate	As required by additional or updated SESP.	UNDP PMU and external consultants

**3.3 Management.**

**3.3.1 Environmental and Social Management Plan**

The project will create an overarching Environmental and Social Management Plan, which will be informed by the revised SESP, Environmental and Social Impact assessment (both SESA and ESIA) reports, and other management plans including the Gender Action Plan. The Plan will:

- Provide time-bound specific recommendations for avoiding adverse impacts, and where avoidance is not possible, for reducing, mitigating, and managing those impacts for all project activities.
- Further identify project activities that cannot take place until certain standards, requirements and mitigation measures are in place and carried out (complimenting and updating what has already been identified in this draft ESMF).
- Develop site-specific management plans, as necessary and as required by the applicable UNDP SES. These will outline the management objectives, potential impacts, control activities and the

environmental performance criteria against which projects will be evaluated (e.g. audited). Recommendations will be adopted and integrated into the project activities, monitoring and reporting framework and budget.

- Stakeholder engagement, including FPIC consultations with indigenous peoples (see below), and plans for stakeholder engagement during implementation of management measures.
- Actions to implement mitigation measures for each identified risk and impact.
- A monitoring and reporting plan.
- Summary of identified adverse social and environmental impacts and any residual risks remaining after impact avoidance/mitigation/minimization.
- Capacity development and training.
- Stakeholder engagement plans including FPIC procedures.
- Defined roles and responsibilities.
- Implementation schedule, cost estimates and funding sources.

Impact management will adhere to the “mitigation hierarchy” model. Where possible, adverse impacts will be “designed out” – i.e. design of project activities will be amended or adjusted so as to avoid the identified impacts. Where this is not possible, measures will be developed, in conjunction with stakeholders, to reduce, minimize, mitigate or manage those impacts.

The above required assessments and management plans must be prepared and mitigation measures in place as per those plans, prior to the initiation of any project activity that may cause adverse impacts, including any actions that may lead to or cause physical or economic displacement and/or impacts on Customary People.

Where appropriate, appendices to the over-arching ESMP will be created for each site, outlining the specific impacts and mitigation and management methods required for each site. Each of these is dynamic and will require amending as new project activities are identified, screened, and assessed in accordance with the procedures described. Additional required mitigation and impact management measures must be integrated into management plans, and in some cases may require, or benefit from, input from the Project Gender Specialist.

Project-affected stakeholders will be consulted on the scope and parameters of the assessment processes and their findings, including proposed mitigation and management measures. It may be necessary to undertake targeted consultations to ensure that marginalized or disadvantaged groups and individuals affected by the project have the opportunity to participate.

Assessment reports and adoption of appropriate mitigation plans/measures will be completed, disclosed, and discussed with stakeholders prior to initiation of any project activities that may cause adverse social and environmental impacts.

An indicative template is appended to this document, outlining the required ESMP sections.

### **3.3.2 Indigenous Peoples’ Plan**

SES Standard 6 requires that where a project may affect the rights, lands, resources or territories of indigenous peoples, an Indigenous Peoples’ Plan (IPP), must be developed, and integrated into the design of the project.

Precise locations for downstream activities have not been selected at the current stage of project development, and it is therefore not certain that activities will take place on land claimed by Customary People (Indigenous Peoples), or whether Customary Peoples will be affected. However, as Customary People are common in all provinces and identified districts, it is expected that the ESIA will confirm that Indigenous communities will be affected.

The project will identify the presence of these peoples at each of the specific sites, and further establish the nature of the risk(s), including any gender-related issues specific to indigenous groups. Where the potential for

such impacts is confirmed through the ESIA, an Indigenous Peoples' Plan will be developed, simultaneously with, and integrated into the ESMP.

As required under Standard 6 of the SES, this will include a plan for culturally appropriate consultation with the objective of achieving agreement and Free Prior and Informed Consent (FPIC). No activities that may adversely affect the existence, value, use or enjoyment of customary/traditional lands, resources or territories will be permitted without the explicit agreement of affected Customary People.

FPIC, for the purposes of the project, is defined as follows:

**Free** means the process will be self-directed by the customary landholders from whom consent is being sought, unencumbered by coercion, expectations or timelines that are externally imposed. The process:

- will be free from coercion, bias, conditions, bribery or rewards;
- will ensure that the decision-making structure is determined by stakeholders;
- will give information transparently and objectively;
- meetings and decisions will take place at locations and times and in language and formats determined by the stakeholders; and
- all community members will be free to participate regardless of gender, age or standing. .

**Prior** means that no project activity implementation takes place before a decision by the customary landowners and local communities has been made. The process will ensure that enough time is provided to customary landowners to understand, access, and analyse information on the proposed activities.

**Informed:** Information will be provided in a manner that is accessible, clear, consistent, accurate, and transparent. It will be:

- delivered in appropriate language and format (including video, graphics, radios, documentaries, photos, etc.);
- given to the landowner communities about their rights as relevant to the project and possible impacts;
- objective, covering both the positive and negative potential of activities and consequences of giving or withholding consent;
- complete, covering the spectrum of potential social, financial, political, cultural, environmental impacts, including scientific information with access to original sources in appropriate language;
- delivered in a manner that strengthens and does not erode indigenous or local cultures;

**Consent** is:

- made by the customary landowners through their customary decision-making process.
- a freely given decision that may be a "Yes" or a "No", including the option to reconsider if conditions agreed upon are not met, there are changes in the proposed activities or if new information relevant to the proposed activities emerges;
- a collective decision determined by affected people in accordance with their forms of decision making (e.g. consensus, majority, etc.);
- based on full understanding of opportunities and risks associated with the proposed activity;
- given or withheld in phases, over specific periods of time for distinct stages or phases of the project;

Customary landowners' decision-making processes must be respected and allowed to operate in an open and transparent manner. Customary landowners' right to choose how they want to live will be respected and If consent is not given, this shall be respected.

The collective right to give or withhold consent applies to all activities, legislative and administrative measures and policies (and their associated processes and phases) that may directly impact the lands, territories, resources, and livelihoods of the customary landowners. Consent must be sought and granted or withheld according to the unique formal or informal political-administrative dynamic of each community.

FPIC consultations will be comprehensively documented. Ideas, questions and concerns raised by different stakeholders, including related government institutions, NGO, CSOs, and women's groups, private institutions, landholder groups, local village community and/or resource-owners, shall be captured, well documented and shared with the relevant national government agencies.

FPIC Consultations shall be carried out in a culturally appropriate manner, be delivered by culturally appropriate personnel, in culturally appropriate locations, and include capacity building of indigenous or local trainers. Consultations shall be delivered with sufficient time to be understood and verified, and measures must be taken to ensure that consultations reach the most remote, rural customary landowners, women, marginalized and vulnerable and are provided on an on-going and continuous basis throughout the FPIC process.

The IPP will enable and map out the communication to take place with affected Customary groups throughout the decision-making process, facilitating information exchange during integrated landscape management processes.

The IPP will describe how customary people will be involved at all stages of integrated landscape management plan development, and subsequent on-the-ground project activities. During the project's first year, discussions on upstream elements of the project will include Customary People's representatives, and will build upon the initial consultations held with them during the PPG, which are detailed in Section 5.1 below. As specific landscapes and activities are proposed, further FPIC discussions will take place at grass roots level with affected communities.

The plan must be developed during the first year of the project. No activities that may affect the rights, customs, lands, resources or territories of Customary People will commence without their explicit prior, freely given consent.

An indicative template is appended to this document, outlining the required IPP sections. The plan will be project-wide, with site-specific sections where appropriate.

### **3.3.3 Additional Procedures for Low Value Grants to Third Parties**

As part of the participatory conservation and restoration-rehabilitation activities, the project plans to disburse low-value grants to support and/or accelerate interventions on agroforestry, sustainable use of non-timber forest products (NTFPs), integrating fast-grown timber species on farm, community-based forest management, etc.

Under Component 2, the project also plans on disbursing low-value grants for on-farm improvements, such as implementing good agricultural practices, and enabling activities associated with the Open Innovation Challenge addressing sustainability issues in the project landscapes.

Low-value grants will be carried out in partnership with expert organizations, e.g., conservation agencies, protected area management administrations, NGOs, or local governments.

The SESA and ESIA will conduct further assessment on risks associated with low value grants and integrate specific procedures into the ESMP. At a minimum, these will include requirements for grantees to:

- adhere to the UNDP social and environmental standards (SES),
- subject all on-the-ground activities to screening, using the SESP
- clear all proposed activities with the Project Safeguards expert
- ensure that gender considerations are fully integrated into all activities, and that activities proactively promote women's empowerment and human rights.
- prepare bi-annual reports on progress, including status of their compliance with UNDP environment, social, and gender policies

ESMP procedures for selection and management of LVG grantees will be developed in accordance with UNDP's [operational guide for LVGs](#) and guidance on [Selecting Responsible Parties and Grantees](#).

### 3.3.4 Additional Sub-Plans

The SESP has identified requirements for the following additional stand-alone management sub-plans:

- **Stakeholder Engagement Plan:** A SEP has been developed and will be updated, informed by SESA and ESIA. Sequential updates of the Plan will enable project officers to ensure that selection is carried out in synergy with the related legal and policy governance structure and that the implementation and selection procedures meet the required norms and standards. The plan will specifically consider how to equitably and meaningfully engage marginalized and vulnerable populations including specific measures to include women within the project areas. The plan will also provide terms of reference and modalities for managing stakeholder engagement in project activities at each site and with each community.
- **Livelihood Action Plans:** Livelihood Action Plan(s) will be necessary where/if project activities cause economic displacement, whereby the livelihoods of individuals or communities are restricted, partially or fully, and either directly or indirectly, in their access to land or resources to support their economic well-being. These action plans will address beneficiary participation in economic displacement decision-making, adequate (full and fair) compensation and assistance, as well as risk management to ensure that livelihoods are at least as good as prior to the program implementation and that the livelihoods of poor and marginalized are improved. Plans will include independent monitoring procedures, clarification of land rights consistent with applicable law, and outline capacity, training, and development actions targeting beneficiaries' livelihoods. It will ensure that UNDP SES requirements, best practice standards and mitigation measures are being met, such that Program activities involving economic displacement cannot proceed until completion of the full ESIA and livelihood action plans that are site-specific.
- **Gender Action Plan:** The plan is in place and included as Annex 10 to the Project Document. Updates will be informed by the ESIA/SESA, and progress against relevant benchmarks.

Further information on stand-alone management plans can be found on the UNDP website at: [https://info.undp.org/sites/bpps/SES\\_Toolkit/SitePages/Guidance%20and%20Templates.aspx](https://info.undp.org/sites/bpps/SES_Toolkit/SitePages/Guidance%20and%20Templates.aspx).

## 4 Institutional arrangements and capacity building

### 4.1 Roles and responsibilities for implementing this ESMF

The roles and responsibilities of project staff and associated agencies in the implementation of this ESMF is as follows. This ESMF does not cover the roles and responsibilities associated with implementation of the subsequent ESMFs and/or stand-alone management plans; those will be defined for each management plan that is developed in the project inception phase, as required per this ESMF.

#### **Implementing Partner:**

The Implementing Partner for this project is the **Coordinating Ministry for Economic Affairs (CMEA)**.

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation, and reporting. This includes providing all required information and data necessary for timely, comprehensive, and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes

and is aligned with national systems so that the data used and generated by the project supports national systems.

- Approve and supervise the work of a Safeguards Expert to implement the ESMP, and any other safeguards-related personnel deemed necessary once the ESIA/SESA and resultant plans are developed (IPP, GRM, etc.).
- Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity to the signed Project Document and in accordance with applicable regulations and procedures (e.g. SES).
- Ensure all requirements of UNDP's SES and national regulatory/policy frameworks and relevant international standards have been addressed.
- Hold responsibility and accountability to UNDP and FAO for overall management of the project, including compliance with UNDP SES.
- Monitor implementation of the ESMP and related plans and compliance with national and international regulations, and UNDP social and environmental standards.
- Decision making for the adoption of necessary measures including full integration of management measures within project outputs and annual work plans.
- Establish and support GRM mechanism to address any grievances.

Project stakeholders and target groups: The project will work with existing multi-stakeholder partnership mechanisms and establish new partnerships where necessary to ensure project target groups are involved in the design, implementation, and monitoring & evaluation of the activities in their communities. Local government units having jurisdiction over the project landscapes will designate project-level focal points. The focal points will be seconded through part-time arrangements and funded through government cofinancing contributions, providing support for project activities at the local levels.

UNDP: As the lead GEF implementation agency, UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is also responsible for the Project Assurance role of the Project Board.

FAO: The project will be jointly implemented by FAO; however, this ESMF and the associated safeguard plans are developed for the entire project. Moreover, a single project management unit will be established, and the Safeguards-Gender Specialist and other technical positions will support all relevant project activities.

Project Board: The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

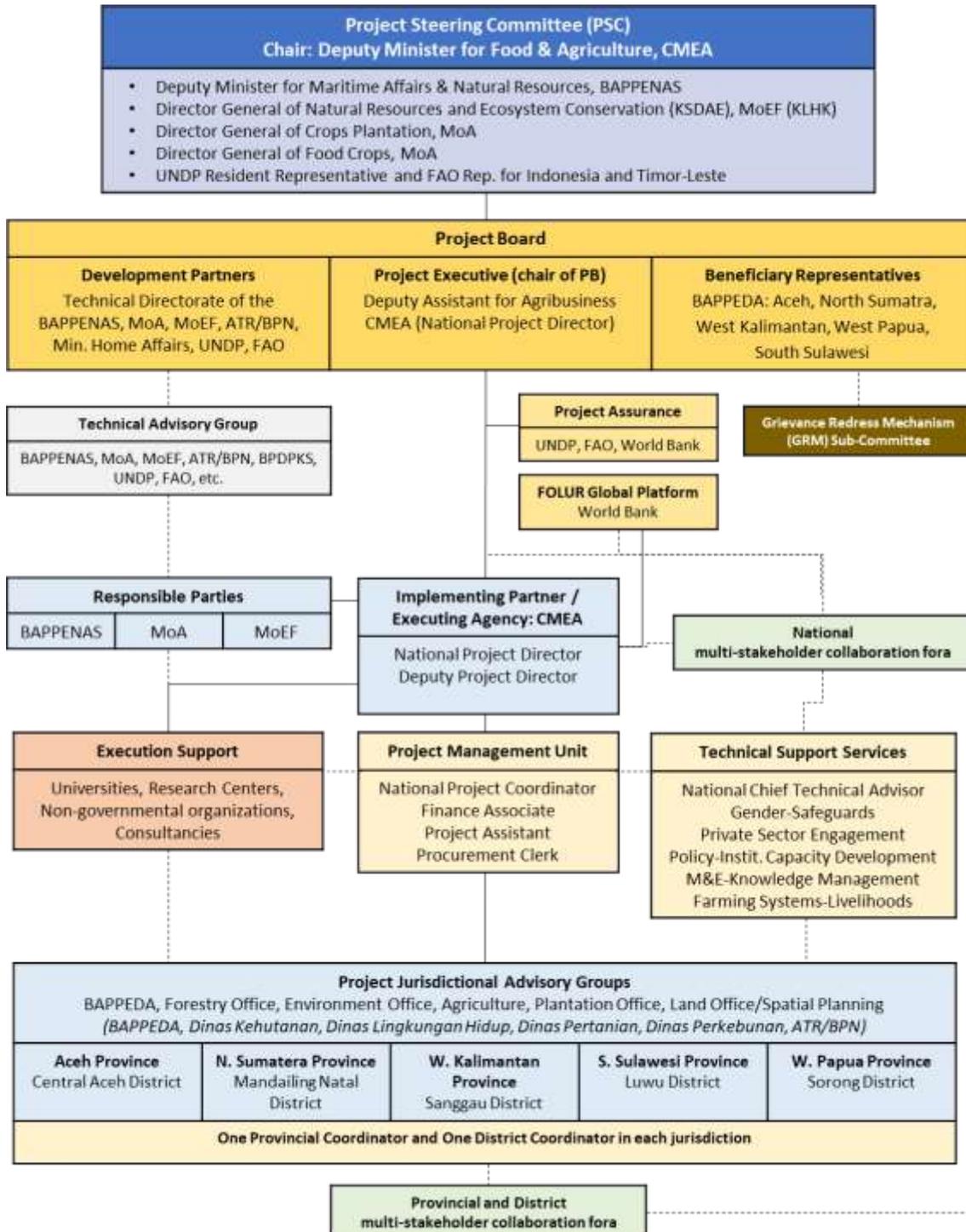
In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to managing environmental and social aspects of the project, ensuring it remains compliant with the UNDP SES, and that successful impact management is achieved.
- Address environmental and social issues raised by the National Project Coordinator.
- Provide guidance on new project environmental and social risks and agree on possible mitigation and management actions to address specific risks.

- Agree on National Project Coordinator’s tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the National Project Coordinator’s tolerances are exceeded.
- Review ESIA and SESA assessment reports and management plans. Provide direction and recommendations to ensure that the project is compliant with UNDP Social and Environmental Standards. Address project-level grievances.

**Project organisation structure:**



The composition of the Project Board must include the following roles:

- a. **Project Executive:** Is an individual who represents ownership of the project and chairs the Project Board. The Project Executive, the National Project Director, is the Director General of the Agribusiness Division of CMEA. The National Project Director and the Deputy Project Director, the Deputy Director General of the Agribusiness Division of CMEA, will be co-financed seconded positions.
- b. **Beneficiary Representatives:** Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. The Beneficiary representatives are directors of the Provincial Development Planning Agencies (BAPPEDA) in the five project jurisdictions (Aceh Province, North Sumatra Province, West Kalimantan Province, South Sulawesi Province and West Papua Province).
- c. **Development Partners:** Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partners are:
  - a. UNDP, Deputy Resident Representative (DRR)
  - b. FAO, Country Manager
  - c. Ministry of National Development Planning (BAPPENAS)
  - d. Ministry of Agriculture (MoA)
  - e. Ministry of Environment and Forestry (MoEF)
  - f. Ministry of Agrarian Affairs and Spatial Planning (ATR/BPN)
  - g. Ministry of Home Affairs,
  - h. Indonesian Oil Palm Estate Fund (BPDPKS)

**Project Assurance:** UNDP and FAO perform the quality assurance role and supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Board cannot delegate any of its quality assurance responsibilities to the National Project Coordinator. UNDP and FAO provide a three – tier oversight services involving the UNDP and FAO Country Offices and UNDP at regional and headquarters levels. Project assurance is totally independent of the Project Management function.

**GRM Sub-Committee:** The Project Board will serve as the secretariat for the project-level grievance redress mechanism (GRM). A GRM Sub-Committee will be established and convened on an *ad hoc* basis, to attempt to resolve the grievance, request further information to clarify the issue, refer the grievance to independent mediation or determine the request is outside the scope and mandate of the Project Board and refer it elsewhere (e.g., the judicial system). The GRM Sub-Committee is described in the terms of reference for the GRM that is included in **Annex 7 (Stakeholder engagement and collaboration plan)**.

**Technical Advisory Group:** A Technical Advisory Group will provide advisory support to the Project Board through delivering technical inputs to the project on an *ad hoc* basis. The Technical Advisor Committee will be chaired by the National Project Director, with support from the National Project Coordinator and Chief Technical Advisor, and include representatives from key line ministries and agencies, academic/research institutions, private sector associations, and civil society.

**Project Management Unit:** Project management services will be delivered by the Project Management Unit, staffed as follows:

- National Project Coordinator
- Financed Associate
- Project Assistant
- Procurement Clerk

National Project Coordinator: The National Project Coordinator has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Project Board. The Project Assistant and Finance-Procurement Officer positions will be funded through governmental cofinancing. Specific duties and responsibilities of the National Project Coordinator, Finance Associate, Project Assistants and Procurement Clerk positions are outlined in **Annex 6** (*Overview of technical consultancies/subcontracts*).

Technical Support: The following full-time positions will provide technical support to the Project Management Unit:

- National Chief Technical Advisor
- Gender-Safeguards Officer
- Private Sector Engagement Specialist
- Policy-Institutional Capacity Development Specialist
- M&E-Knowledge Management Specialist
- Farming Systems-Livelihoods Specialist

Execution Support: Per the request from the Implementing Partner / Executing Agency (Coordinating Ministry for Economic Affairs), apart from project assurance, UNDP and FAO will be providing limited project execution support services.

The Implementing Partner has agreed that certain activities under the FOLUR country project require inputs of skills and innovation that are not easily rendered through a full national implementation modality, and have requested UNDP and FAO, with their respective global comparative advantages, to provide execution support services for some of the critical and strategic aspects of the project, including measures to ensure the proactive mitigation of social and environmental impacts.

UNDP and FAO will recruit a full-time Gender-Safeguards Officer, who will be responsible for supporting the governmental partners in ensuring the completion of the required environmental and social impact assessments, SESA, ESMP (including other standalone plans such as the livelihood restoration plan, where necessary) and their implementation. As a high-risk project, it will be imperative that environmental and social risks are proactively managed and mitigated in accordance with UNDP SES standards.

UNDP and FAO will maintain a strict firewall between the delivery of project oversight and project execution. For example, positions recruited under the UNDP or the FAO procurement systems will be embedded with the project management unit.

## 4.2 Capacity Building

Specialists with relevant expertise in social and environmental safeguards will be engaged to support the completion of the assessment(s) of economic displacement, and the subsequent development of ESMPs and any stand-alone management plans. These experts will offer an induction session for Project Management Units (and implementing partners, as needed) on safeguards responsibilities and approaches.

The UNDP-GEF Unit will provide advice to project teams as needed to support the implementation of this ESMF and the preparation, implementation and monitoring of social and environmental management plans/measures.

The Project Board will have the final responsibility for the integration of ESMP/stand-alone management plan(s) in the execution of the project. The integration of those plans will need to consider particular institutional needs within the implementation framework for application of the ESMP, including a review of the required budget allocations for each measure, as well as the authority and capability of institutions at different administrative levels (e.g. local, regional, and national), and their capacity to manage and monitor ESMP implementation. Where necessary, capacity building and technical assistance activities will be included to enable proper implementation of the ESMP.

## 5 Stakeholder engagement and information disclosure

### 5.1 Community consultations completed during the project preparation phase

Community consultations in the target project jurisdictions were made during the project preparation phase. Information regarding local communities was also obtained from provincial and district government officials who participated in project design workshops. Community consultations are summarized below, based on field mission reports, recorded separately in UNDPs Project Information Management System.

**North Sumatra Province, Mandailing Natal District.** In September 2019, PPG team members visited and interviewed smallholder coffee farmers and village, sub-district, and district government officials. According to the official from the district Bappeda office, this plantation is located on land classified for other land uses (APL in Indonesian terms). There is protection forest land nearby and the district officials indicated that some of the smallholders have plantations inside the protection forests. The plantations are essentially located within the buffer zones of the protection forests. The smallholders indicated that their plantations are on ancestral land. They do not have land certificates. Because the land is located on land classified as other land uses (APL), they are not considered as illegal. The district officials indicated that the land is considered *de facto* customary. The smallholders indicated that part of the village is under customary law control. This part of the village is led by a village chief and any activities on their communal land requires permission by the village chief.

Two farmer groups have been established in the village, with a cumulative membership of 83 farmers/households. And there is one cooperative. The farmers groups and cooperative are officially registered. Plantation sizes averages approx. 1 ha and range from 0.5 to 2 ha. The interviewed smallholders indicated that 90% of the household income is from coffee. This is common among the 83 smallholders in the two farmer groups. The local government granted the cooperative/village an electric roasting and an electric grinding unit. The cooperative charges IDR 2,000 per kg for grinding and IDR 5,000 per kilogram for roasting. The roasting and grinding units are installed inside a community storeroom/workshop.

The cooperative sells processes and green bean coffee, depending on demand and cash flow. The smallholders sell the vast majority of their production through the cooperative. There is a woman in the village who is the middleperson for the cooperative. This sub-district is one of six that are included in the Geographical Indication (GI) certificate granted in 2014. The smallholder farmers indicated that the prices they can obtain for their product increased by about 5% with the GI certificate.

The main problem the smallholders are facing is pest control. There is a particular problematic insect that has recurred over the past 3 years. The smallholders cannot afford the costs for insecticides and herbicides. They have tried some non-chemical pest control methods (e.g., sticky strips), but these have been unsuccessful. The smallholders indicated that they have received training from extension services: three times since 2010. The subjects of the trainings included pest control, fertilization, post-harvesting, etc. They do not receive inputs from extension services (government inputs are mostly for farmers growing food crops).

**West Kalimantan Province, Sanggau District.** Consultations were made with smallholder palm oil farmers, along with local government officials in December 2019. Palm oil is the dominant commodity in this district, followed by rubber, cocoa, pepper, and rice. Coffee growing is increasing under social forestry arrangements. There are problems with land degradation, where farmers have abandoned land where productivity had significantly decreased. There is a need to strengthen farmer support services, including replanting assistance.

Land legality is a major issue for the smallholders. Without land certificates, farmers cannot access financing or government input schemes. Forest Management Unit officials indicated that 72 villages out of 163 total villages are located inside state forest land – resulting in land conflicts with the government.

Sanggau has experienced extensive forest/plantation fires: 5<sup>th</sup> largest incidence of forest fires in Indonesia.

Many rubber plantations have been converted to palm oil, due to the high demand. The interviewed palm oil smallholder farmers represented an indigenous peoples community and were formerly participating in a plasma scheme arrangement. The smallholders were dissatisfied with the fixed price provided by the plantation owner and decided not to extend their agreement, thus becoming independent smallholders.

The district government is supporting the creation of smallholder cooperatives, to increase the opportunities available to the farmers, e.g., access to financing, value chains, inputs, etc.

Land use has been very dynamic in the district. Monitoring is a challenge for the district; an effective monitoring tool would be useful. Data quality is also a challenge; it would be advisable to have a database on the number of farmers, productivity, location, etc.

**Aceh Province, Central Aceh District.** Local government and community consultations were carried out in December 2019. In Central Aceh, Arabica coffee is the dominant commodity, grown in the Gayo highlands. On average, a typical household has an approximate 1-ha plantation, but there is a perception to keep expanding to gain more income.

Coffee plantations have been in conflict with state forests. Almost all coffee is planted in state forests, since farmers planted there long before the area declared as state forest. Wildlife is threatened by increased human activities. There are often conflicts with elephants, in Karangampar and Bergam. Land use changes and forest encroachment disturbed the elephant routine cycles and corridors.

Coffee farmers are also planting in conservation forests on a pilot scale. Piloting the project which issuing license to community in Taman Buru Lingga Isa, subject to be replicated in the future. Farmers had been planting coffee for over 40 years, even though now the status is conservation, they keep using the land but do not have ownership.

There are reportedly no social forestry schemes yet in Central Aceh. Degraded land can be proposed for reforestation using social forestry scheme. The reportedly lengthy process of obtaining a social forestry license seems to be one of the barriers hindering uptake of social forestry.

*Asal linge awal seruleu*, the starting point of Gayo ethnic is in Linge and Seruleu. Meaning the inhabitants were there before the Taman Buru hunting park. The hunting area is the based for the enactment of a conservation area. The area had traditionally been a hunting area for deer.

The Gayo coffee area in Central Aceh is around 49,000 ha and in the Gayo highlands, the total area is approximately 100,000 ha. Farmers want to enlarge the coffee planting area but conflicting with forest area. Intensification is difficult for the farmers. Tourism has been identified as a potential livelihood activity, but not yet developed. The main problem with coffee is lack of fertiliser inputs, low soil fertility, and inadequate post-harvest processing capacities and infrastructure.

**West Papua Province, Sorong District.** A field consultation was made in December 2019 to West Papua, meeting with local government and communities. The provincial Bappeda office is currently developing an action plan for sustainable palm oil production. Apart from palm oil, sago and nutmeg are important commodities.

In West Papua, other than national law land relinquishment, there's also customary relinquishment with indigenous people who claim the land, and both national law and customary law of land relinquishment shall be completed with no exception.

Local communities have significant conflicts with oil & gas and mining concessions, and less so with palm oil plantations; however, palm oil is fairly underdeveloped in the province.

The Provincial Secretary (Sekretaris Daerah) instructed West Papua to become a "Conservation Province" which emphasizing intensification over extensification of oil palm.

In Sorong there are 9 oil palm company concessions but only 2 that are operating. The Agency of Food Crop, Horticulture and Plantation of West Papua Province is now doing plantation review (2018-2020) some of companies which being reviewed are PT. Hendrison Inti Persada (HIP) and IKSJ (Inti Kelapa Sawit J.). The Agency hope that this initiative will solve the problem of abandoned relinquished land for the company but not operated for such a long time. These abandoned concessions could potentially convert back to the original status as natural forest.

Plasma plantations are scattered because companies are still in bargaining process with marga for customary land relinquishment.

KPHP Sorong allocates annual budget for "Pam Swakarsa" for community development.

**South Sulawesi Province, Luwu District.** A field mission was carried out in September 2019 during the PPG inception period. In addition to collecting primary and secondary data from Luwu District, the team also collected secondary data and information from 3 other potential districts through desk review, namely Bone

and Wajo Districts which have the first and second largest rice fields in South Sulawesi Province, and North Luwu District which has the largest cocoa areas in South Sulawesi Province.

Based on data provided by the District Agriculture and Plantation Services, at the end of 2018, Luwu District has 33,333.20 ha of rice fields. Although Luwu District only on fifth ranks in the area of rice fields in South Sulawesi Province, but the condition of rice fields in Luwu District is currently quite alarming and cannot produce rice in sustainable manner. Significant land conversion has taken place, and there has been decreasing availability of irrigation water to support rice production.

Luwu District had 33,911 ha of cocoa planted area in 2018 and ranks second after North Luwu District. Cocoa productivity in Luwu District has declined sharply from an average of 1.112 ton/ha in 2017 to 0.937 ton/ha in 2018. The old trees, poor farm management, and *helopeltis* pests are the main factors causes of declining cocoa productivity in Luwu District.

During the field visit, no farmer association and cooperative were found in the district. The only one Farmer Groups Union was found in Komba Village of Larompong Sub-district, namely Farmer Groups Union (*Gapoktan*) of Usaha Bersama; which a union of 15 farmer groups in the village. This farmer groups union got support of rice milling unit from the national government.

Based on field observations, it was found that the work in rice fields was mostly done by men. The women are only involved at harvesting time. Women's workload has been reduced at the time for the rice harvest since the government facilitated farmers with rice harvester machines, where all the works of rice-cutting and threshing were replaced by machines. Women are only involved in transporting rice from rice fields to the nearest roads where can be accessed by trucks.

There are similar circumstances with respect to cocoa farmers. Most of the works are done by men. The women are only involved at harvesting works, splitting cocoa pods, and drying cocoa nuts. The rest, most of the works are done by men.

The Luwu people are native residents who live within the territory of Great Luwu Regency, South Sulawesi Province. The area of residence of the Luwu people is usually called '*Tana Luwu*' means Luwu Land which is in the coastal area; and the person himself is called '*To Luwu*', where '*to*' means 'person', and '*Luwu*' is derived from the word '*loo*' or '*lau*' which means 'sea'. Although access to the modernization and public facilities has become more open in the Great Luwu region, there are still some remote traditional communities that are still far from access to public facilities and relations with outsiders.

## 5.2 Community consultations during project implementation

Discussions with project stakeholders, including local communities at project sites, commenced during the project development phase. A list of the stakeholders engaged in these consultations has been annexed to the Project Document. The project also has an individual Stakeholder Engagement Plan and Gender Action Plan, which is annexed to the Project Document. These Plans will be followed to ensure that stakeholders are engaged in project implementation and particularly in the further assessment of social and environmental impacts and the development of appropriate management measures. Project Stakeholder Engagement Plans will be updated during project implementation based on the assessments and management plans conducted in line with this ESMF, as needed.

Potentially affected stakeholders will be engaged during the implementation of this ESMF. This will include FPIC consultations with IPs.

As part of the stakeholder engagement process, UNDP's SES require that project stakeholders have access to relevant information. Specifically, the SES (SES, Policy Delivery Process, para. 21) stipulates that, among other disclosures specified by UNDP's policies and procedures, UNDP will ensure that the following information be made available:

- Stakeholder engagement plans and summary reports of stakeholder consultations
- Social and environmental screening reports with project documentation
- Draft social and environmental assessments, including any draft management plans
- Final social and environmental assessments and associated management plans

- Any required social and environmental monitoring reports.

As outlined in the SES and UNDP's Social and Environmental Screening Procedure (SESP), the type and timing of assessments and management plans vary depending of the level of social and environmental risk associated with a project as well as timing of the social and environmental assessment.

This ESMF (and the project SESP) will be disclosed via the UNDP website in accordance with UNDP SES policy. The subsequent project ESMPs or stand-alone management plan(s) will also be publicly disclosed via the UNDP website once drafted and finalized and adopted only after the required time period for disclosure has elapsed.

These requirements for stakeholder engagement and disclosure will be adhered to during the implementation of this ESMF, and the subsequent implementation of the resulting ESMPs and any stand-alone management plans.

## 6 Accountability and Grievance Redress Mechanisms

### 6.1 UNDP's Accountability Mechanisms

UNDP's SES recognize that even with strong planning and stakeholder engagement, unanticipated issues can still arise. Therefore, the SES are underpinned by an Accountability Mechanism with two key components:

1. A Social and Environmental Compliance Review Unit (SECU) to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and
2. A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

UNDP's Accountability Mechanism is available to all of UNDP's project stakeholders.

The Social and Environmental Compliance Unit (SECU) investigates concerns about non-compliance with UNDP's Social and Environmental Standards and Screening Procedure raised by project-affected stakeholders and recommends measures to address findings of non-compliance.

The Stakeholder Response Mechanism helps project-affected stakeholders, UNDP's partners (governments, NGOs, businesses) and others jointly address grievances or disputes related to the social and/or environmental impacts of UNDP-supported projects.

Further information, including how to submit a request to SECU or SRM, is found on the UNDP website at: <http://www.undp.org/content/undp/en/home/operations/accountability/secu-srm/>

### 6.2 Project-level Grievance Redress Mechanisms

The Implementing Partner will establish and implement, as described in the Project Document, a transparent, fair and free-to-access project-level Grievance Redress Mechanism (GRM), approved by stakeholders, which will be put in place at the start of implementation. Interested stakeholders may raise a grievance at any time to the Project Management Office, the Executing Agency, Implementing Agencies (UNDP and FAO), or the GEF.

The Implementing Partner will establish a sub-committee for the GRM, and for the development and oversight of the mechanism, including reporting on the work of the GRM to all stakeholders.

**The mandate** of the GRM will be to:

- (i) receive and address any concerns, complaints, notices of emerging conflicts, or grievances (collectively "*Grievance*") alleging actual or potential harm to affected person(s) (the "*Claimant(s)*") arising from Project.
- (ii) assist in resolution of Grievances between and among Project Stakeholders; as well as the various government ministries, agencies and commissions, CSOs and NGOs, and others (collectively, the "*Stakeholders*") in the context of the Project.
- (iii) Conduct itself at all times in a flexible, collaborative, and transparent manner aimed at problem solving and consensus building.

**The functions** of the GRM will be to:

- (i) Receive, Log and Track all Grievances received.
- (ii) Provide regular status updates on grievances to claimants, Project Board (PB) members and other relevant stakeholders, as applicable.
- (iii) Engage the PB members, government institutions and other relevant stakeholders in grievance resolution.
- (iv) Process and propose solutions and ways forward related to specific grievances *within a period not to exceed sixty (60) days* from receipt of the grievance.
- (v) Identify growing trends in grievances and recommend possible measures to avoid the same.
- (vi) Receive and service requests for, and suggest the use of, mediation or facilitation.

- (vii) Elaborate bi-annual reports, make said reports available to the public, and more generally work to maximize the disclosure of its work (including its reports, findings and outcomes).
- (viii) Ensure increased awareness, accessibility, predictability, transparency, legitimacy, and credibility of the GRM process.
- (ix) Collaborate with Partner Institutions and other NGOs, CSOs and other entities to conduct outreach initiatives to increase awareness among Stakeholders as to the existence of the GRM and how its services can be accessed.
- (x) Ensure continuing education of PB members and their respective institutions about the relevant laws and policies that they will need to be aware of to participate in the development of effective resolutions to Grievances likely to come before the GRM.
- (xi) Monitor follow up to Grievance resolutions, as appropriate.

Further details regarding requirements for the GRM are included in Terms of Reference for developing a Grievance Redress Mechanism, in **Enclosure 9.4**.

## 7 Budget for ESMF Implementation

Funding for implementation of the ESMF is included in the Project budget. The estimated costs are indicated in *Table 6* below. Costs associated with the time of Project Management Unit Staff coordinating the implementation of this ESMF or UNDP support are not shown.

*Table 6: Breakdown of project level costs for ESMF implementation*

Description	Cost, USD
<b>Carrying out ESIA and SESAs, preparing ESMP and other management plans as warranted:</b>	
International safeguards expert (advisory support)	36,000
Chief Technical Advisor (technical support)	6,000
Gender-Safeguards Officer (technical support)	20,000
Gender Consultant	7,500
Safeguards / M&E Consultant(s)	10,500
Contractual services (carry out ESIA and SESA, develop ESMP and other plans)	150,000
Travel expenses and DSA (for IC, CTA, M&E Officer and consultants)	15,000
Audio-visual and print production (for communicating ESMP issues)	10,000
ESIA public consultations	15,000
<b>Sub-total:</b>	<b>270,000</b>
<b>Monitoring and evaluation of the implementation of the ESMP and other management plans:</b>	
International safeguards expert (advisory support)	15,000
Chief Technical Advisor (technical support)	3,000
Gender-Safeguards Officer (technical support)	30,000
Gender Consultant	22,500
Safeguards / M&E Consultant(s)	22,500
Travel expenses and DSA (for IC, CTA, Gender-Safeguards Officer and consultants)	35,000
ESMP trainings, workshops during project implementation	10,000
<b>Sub-total:</b>	<b>138,000</b>
<b>TOTAL:</b>	<b>408,000</b>

## 8 Monitoring and evaluation arrangements

Reporting on progress and issues in the implementation of this ESMF will be documented in the project quarterly reports and annual project implementation reports (PIRs). Until the ESMPs and stand-alone management plans are put in place, UNDP CO will be responsible for compiling reports on the implementation of this ESMF, for reporting to the Project Board. Key issues will be presented to the Project Board during each committee meeting.

Implementation of the subsequent ESMPs and stand-alone management plans (all projects, as required) will be the responsibility for the individual project management teams, and other partners as agreed upon and described in those future plans.

The ESMF monitoring and evaluation plan is outlined below in *Table 7*.

Table 7: ESMF M&E plan

Monitoring Activity & Relevant Projects	Description	Frequency / Timeframe	Expected Action	Roles and Responsibilities
Track progress of ESMF implementation	Implementation of this ESMF coordinated for each project, and with results reported to each Project Board on an annual basis	Quarterly (until ESMPs and management plans are in place)	Required ESMF steps are completed in a timely manner.	National Project Coordinator, with support from and Gender-Safeguards Officer
Implementation of mitigation measures and monitoring of potential impacts identified in impact assessment(s) and per the subsequent ESMP	Permanent and participatory implementation and monitoring of impacts and mitigation measures, in accordance with ESMP (to be prepared together with impact assessments)	Continuous, once ESIA/SESA is completed and ESMP is in place	Implementation of ESMP; participatory monitoring of impact assessment findings (i.e. identifying indicators, monitoring potential impacts and risks); integration of ESMP into project implementation strategies. Monitoring of environmental and social risks, and corresponding management plans as relevant (tendered to national institute, local consultant, CSO or service provider)	National Project Coordinator, Gender-Safeguards Officer, Provincial Coordinators, oversight by UNDP CO, Project Board
Development of impact assessment and reports, and livelihood restoration plan as needed	Carried out in a participatory manner, impact analysis of potential livelihood impacts	Project Inception	Potential impacts related to economic displacement are assessed with support of external consultants and participation of project team and stakeholders; impact assessment report completed; if justified based on findings of assessment, a livelihoods action plan will be developed; management actions will be identified and incorporated into project implementation strategies.	External service providers (environmental and social) With guidance from UNDP, National Project Coordinator, Gender-Safeguards Officer
Development of Indigenous Peoples' Plan	Drafted in a participatory manner, commencing as soon as project-affected indigenous communities are identified.	First year of project implementation.	Detailed procedures for the implementation of FPIC are established, and incorporated into impact screening, assessment and management procedures and the ESMP.	External service providers (environmental and social) With guidance from UNDP, Project Manager, and Project Gender-Safeguards Officer
Learning	Knowledge, good practices and lessons learned regarding social and environmental risk management will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project teams and used to inform management decisions.	National Project Coordinator
Annual project quality assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project	Annually	Areas of strength and weakness will be reviewed and used to inform decisions to improve project performance	UNDP CO, Programme Safeguards Specialist, with support from National Project Coordinator and Gender-Safeguards Officer
Review and make course corrections	Internal review of data and evidence from all monitoring actions to inform decision making	At least annually	Performance data, risks, lessons and quality will be discussed by the Project Board and used to make course corrections	Project Board
Annual project implementation reports	As part of progress report to be presented to the Project Board and key stakeholders,	Annually	Updates on progress of ESMF/ESMP will be reported in the project's annual PIRs. A summary of the avoidance	UNDP CO, UNDP-GEF RTA, National Project Coordinator

Monitoring Activity & Relevant Projects	Description	Frequency / Timeframe	Expected Action	Roles and Responsibilities
	analysis, updating and recommendations for risk management will be included		and mitigation of potential social and environmental impacts will be included in the program annual report, sharing best practices and lessons learned across the program.	
Project review	The Project Board will consider updated analysis of risks and recommended risk mitigation measures at all meetings	At least annually	Any risks and/ or impacts that are not adequately addressed by national mechanisms or project team will be discussed in Project Board. Recommendations will be made, discussed and agreed upon.	Project Board, National Project Coordinator

## 9 Annexes

### 9.1 SESP Report

### 9.2 Indicative Outline of Environmental and Social Impact Assessment (ESIA)/ Report

#### UNDP Social and Environmental Standards: ESIA Report – Indicative Outline

Please refer to the [UNDP SES Guidance Note on Assessment and Management](#) for additional information.

An ESIA report should include the following major elements (not necessarily in the following order):

**(1) Executive summary:** Concisely discusses significant findings and recommended actions.

**(2) Legal and institutional framework:** Summarizes the analysis of the legal and institutional framework for the project, within which the social and environmental assessment is carried out, including (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to social and environmental issues; obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under UNDP's SES; and (c) and other relevant social and environmental standards and/or requirements, including those of any other donors and development partners. Compares the existing social and environmental framework and applicable requirements of UNDP's SES (and those of other donors/development partners) and identifies any potential gaps that will need to be addressed.

**(3) Project description:** Concisely describes the proposed project and its geographic, social, environmental, and temporal context, including any offsite activities that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary supply chain. Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts. (i.e. area of influence).

**(4) Baseline data:** Summarizes the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions; assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences; and takes into account current and proposed development activities within the project area but not directly connected to the project.

**(5) Social and environmental risks and impacts:** Predicts and considers all relevant social and environmental risks and impacts of the project, including those related to UNDP's SES (Overarching Policy and Principles and Project-level Standards). These will include, but are not limited to, the following:

*(a) Environmental risks and impacts*, including: any material threat to the protection, conservation, maintenance and rehabilitation of natural habitats, biodiversity, and ecosystems; those related to climate change and other transboundary or global impacts; those related to community health and safety; those related to pollution and discharges of waste; those related to the use of living natural resources, such as fisheries and forests; and those related to other applicable standards.<sup>3</sup>

*(b) Social risks and impacts*, including: any project-related threats to human rights of affected communities and individuals; threats to human security through the escalation of personal, communal or inter-state conflict, crime or violence; risks of gender discrimination; risks that adverse project impacts fall disproportionately on disadvantaged or marginalized groups; any prejudice or discrimination toward individuals or groups in providing

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<sup>3</sup> For example, the Environmental, Health, and Safety Guidelines (EHSs), which are technical reference documents with general and industry-specific statements of Good International Industry Practice. The EHSs contain information on industry-specific risks and impacts and the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable cost. Available at [www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines).

access to development resources and project benefits, particularly in the case of disadvantaged or marginalized groups; negative economic and social impacts relating to physical displacement (i.e. relocation or loss of shelter) or economic displacement (i.e. loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land or resource acquisition or restrictions on land use or access to resources; impacts on the health, safety and well-being of workers and project-affected communities; and risks to cultural heritage.

**(6) Analysis of alternatives:** systematically compares feasible alternatives to the proposed project site, technology, design, and operation – including the "without project" situation – in terms of their potential social and environmental impacts; assesses the alternatives' feasibility of mitigating the adverse social and environmental impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; the institutional, training, and monitoring requirements for the alternative mitigation measures; for each of the alternatives, quantifies the social and environmental impacts to the extent possible, and attaches economic values where feasible. Sets out the basis for selecting the particular project design.

**(7) Mitigation Measures:** Inclusion or summary of (with attachment of full) Environmental and Social Management Plan (ESMP) (see indicative outline of ESMP below.) The ESMP identifies mitigation measures required to address identified social and environmental risks and impacts, as well as measures related to monitoring, capacity development, stakeholder engagement, and implementation action plan.

**(8) Conclusions and Recommendations:** Succinctly describes conclusion drawn from the assessment and provides recommendations.

**(9) Appendices:** (i) List of the individuals or organisations that prepared or contributed to the social and environmental assessment; (ii) References – setting out the written materials both published and unpublished, that have been used; (iii) Record of meetings, consultations and surveys with stakeholders, including those with affected people and local NGOs. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected groups and local NGOs, summarizes key concerns and how these concerns addressed in project design and mitigation measures; (iv) Tables presenting the relevant data referred to or summarized in the main text; (v) Attachment of any other mitigation plans; (vi) List of associated reports or plans.

### 9.3 Indicative outline of Environmental and Social Management Plan (ESMP)

#### UNDP Social and Environmental Standards: ESMP – Indicative Outline

Please refer to the [UNDP SES Guidance Note on Assessment and Management](#) for additional information.

An ESMP may be prepared as part of the Environmental and Social Impact Assessment (ESIA) or as a stand-alone document.<sup>4</sup> The content of the ESMP should address the following sections:

**(1) Mitigation:** Identifies measures and actions in accordance with the mitigation hierarchy that avoid, or if avoidance not possible, reduce potentially significant adverse social and environmental impacts to acceptable levels. Specifically, the ESMP: (a) identifies and summarizes all anticipated significant adverse social and environmental impacts; (b) describes – with technical details – each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; (c) estimates any potential social and environmental impacts of these measures and any residual impacts following mitigation; and (d) takes into account, and is consistent with, other required mitigation plans (e.g. for displacement, ethnic minorities).

**(2) Monitoring:** Identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

**(3) Capacity development and training:** To support timely and effective implementation of social and environmental project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level. Specifically, the ESMP provides a description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g. for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training). Where support for strengthening social and environmental management capability is identified, ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

**(4) Stakeholder Engagement:** Outlines plan to engage in meaningful, effective and informed consultations with affected stakeholders. Includes information on (a) means used to inform and involve affected people in the assessment process; (b) summary of stakeholder engagement plan for meaningful, effective consultations during project implementation, including identification of milestones for consultations, information disclosure, and periodic reporting on progress on project implementation; and (c) description of effective processes for receiving and addressing stakeholder concerns and grievances regarding the project's social and environmental performance.

**(5) Implementation action plan (schedule and cost estimates):** For all four above aspects (mitigation, monitoring, capacity development, and stakeholder engagement), ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables. Each of the measures and actions to be implemented will be clearly specified and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.

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<sup>4</sup> This may be particularly relevant where contractors are being engaged to carry out the project, or parts thereof, and the ESMP sets out the requirements to be followed by contractors. In this case the ESMP should be incorporated as part of the contract with the contractor, together with appropriate monitoring and enforcement provisions.

## 9.4 Indicative outline of Indigenous Peoples Plan (IPP)

Please refer to the [UNDP SES Guidance Note on Indigenous Peoples](#) and the [IPP Outline](#) for additional information.

### Background:

Where there is presence of indigenous peoples and/or communities, an Indigenous peoples Plan (IPP) shall be prepared and implemented for relevant target project sites where Project interventions will affect the rights, lands, resources, or territories of indigenous peoples (IP) communities. These IPPs will be developed and implemented following the UNDP Social and Environmental Standards 6 on Indigenous peoples with details appropriate to the Project's complexity and scale of interventions and its effects on the IPs, and their lands, resources, and territories. A Free and Prior Informed Consent (FPIC) will be procured prior to any project activities in areas where presence indigenous community or people have been recorded or registered and/or in line with UNDP Social and Environmental Standards 6 on Indigenous peoples.

The outline provided below will guide the preparation of the Indigenous Peoples' Plan

### 1. Executive Summary of the Indigenous Peoples Plan

- Under this Section, describe the IP communities that will be impacted by Project interventions, potential impacts of the Project, including its nature, extent, and scale, on the IP communities as well as recommended strategies and actions necessary to mitigate adverse impacts of Project interventions.

### 2. Project Description

- Define Project objectives, target outputs and activities with elaborate discussions on activities that will have adverse impacts of Project interventions.
- Explain Project interventions that will result in impacts to IP communities. Explain impacts resulting from and management measures that will help avoid, minimize, and mitigate adverse impacts and maximize positive impacts and opportunities from Site Intervention Plans.

### 3. Project Impact Analysis for Affected Indigenous peoples

#### 3.1 Profile of Affected IP Communities

Establishing IP presence in the Project sites is the first step to identifying risk mitigation measures necessary to ensure equitable benefit sharing of Project gains. Under this sub-section, discuss:

- IP presence and claims covering the Project sites that will be affected;
  - areas where transient, migrant and permanent indigenous peoples are found;
  - tenurial systems of the land and territories that IPs inhabit or customarily used or occupied, and the natural resources on which they depend;
  - Ethnic tribes of affected IP communities;
  - Baseline information on the size of IP population and number of IP households affected by Project interventions, including the vulnerable groups, i.e., women, children, youth, senior citizens and People with Disabilities (PWDs)
  - Elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with IPs at each stage of project preparation and implementation, taking the review and baseline information into account;
- Climate risks faced by IP communities in the Project sites;
- Resource dependence of IP communities that will be affected in the Project sites, including: (i) types of livelihood activities of IP communities; (ii) specific location and size of areas utilized by IPs; (iii) frequency, extent and period of utilization of resources by IP communities; and (iv) alternative livelihoods of IP communities in the Project sites. It is important that data on available livelihood options for IP communities are documented for strategic intervention planning;

- Indigenous Knowledge, Systems and KSPs and Indigenous Community Conserved Areas (ICCAs), if any, in the Project sites;
- Level of participation of IP communities in resource use management;
- Challenges and opportunities of affected IP communities in the target sites, including economic risks and opportunities.

### **3.2 Potential Impacts of Project Interventions to IP Communities**

The Site Intervention Plans that will be developed for all Project sites will determine the ecosystem and community-based interventions that will be undertaken for the sites. Provide the details below.

- Project interventions that will have impacts on IP communities' economic activities. While the Project is projected to have no adverse impacts on indigenous peoples, an impact analysis on the Project's interventions vis-à-vis indigenous peoples in the areas will be undertaken as a form of validation. For one, displacement or disruption of economic or livelihood activities of indigenous peoples will have to be taken into account.
- Magnitude of impacts of Project interventions on IP communities' economic activities, e.g., income reduction, disruption of IKSP practices, customary institutional arrangements, and status of ancestral domains' environment. Define whether these impacts are temporary or permanent; and partial or full; and
- IKSP related to community-based natural resource management that will be affected by Project interventions.

## **4. Summary of Substantive Rights and Legal Framework**

- Discuss the international multilateral agreements and protocols supported at the Federal and State levels, and the local policies recognizing and protecting the rights and vulnerability of the indigenous peoples in the country.
- Discuss provisions of the United Nations Declaration on the Rights of Indigenous peoples (UNDRIP), the Conference of the Parties (COP) to the CBD.
- Discuss key provisions of local legislation, policies, and regulations
  - Discuss general assessment of government implementation of the above policies
- Provide an analysis of Project activities that are contingent on establishing legally recognized rights to lands, resources, or territories. In cases where these contingencies exist, include:
  - A work plan that lays-out the steps and target timeline for establishing tenurial rights of the concerned IP communities; with a discussion on the manner through which IKSPs will be preserved and promoted as well as the process involved in securing FPIC; and
  - Prohibited activities until the delimitation, demarcation and titling is completed.
- Provide an analysis of Project activities that are contingent on the recognition of juridical personality of affected Indigenous peoples. In cases where these contingencies exist include:
  - A work plan that specifies activities and timeline for achieving such recognition with the support of the relevant authority, with the full and effective participation and consent of effected indigenous peoples; and
  - List of activities that are prohibited until the recognition is achieved.

## **5. Summary of Social and Environmental Assessment and Mitigation Measures**

IP Plans will be developed for Project sites where necessary. From the Integrated Landscape Management Plans (ILM), IP Plans will be developed as guidelines to addressing issues related to the needs of IPs in relation to the Project interventions. Under this Section, provide details on:

- Potential adverse and positive environmental, economic and socio-cultural impacts, risks and opportunities of Site Intervention Plans to affected IP communities, based on meaningful consultation with affected IPs;
- Management measures that will help avoid, minimize, and mitigate adverse impacts and maximize positive impacts and opportunities from ILM Plans.
- Project interventions where IP participation can be significant and through which IP benefits can be maximized.
- Grievance redress mechanism; and
- Cost, budget, timetable, and institutional arrangements for the implementation of IP Plans

## **6. Participation, Consultation, and FPIC Processes**

Discuss IP engagement in the implementation processes, including:

- Indigenous peoples engagement in planning, implementation and, monitoring, evaluation and reporting phases of the Project;
- Sustained preservation of IKSPs in decision-making processes, resource management, economic activities and cultural practices;
- Securing free, prior and informed consent of indigenous peoples who will be affected by Project interventions or;
- Data collection activities undertaken: (i) from State Agencies; (ii) through conduct of Focus Group Discussions (FGDs) among LGUs, IP-related People's Organizations (POs) and/or identified IP community representatives in the areas; and (iii) conduct of Key Informant Interviews (KIIs) with non-government organizations (NGOs) working with IPs in the areas.

### **7. Appropriate Benefits**

- Discuss Project interventions where IP participation can be significant and through which IP benefits can be maximized.
- Discuss measures to be taken to ensure that indigenous peoples receive equitable social and economic benefits that are culturally appropriate, including a description of the consultation and consent processes that lead to the determined benefit sharing arrangements.

### **8. Capacity support**

- Describe Project activities aimed at increasing capacity within the government and/or the affected indigenous peoples, and facilitating exchanges, awareness, and cooperation between the two.
- Describe measures to support social, legal, technical capabilities of indigenous peoples' organizations in the project area to enable them to better represent the affected indigenous peoples more effectively.
- Where appropriate and requested, describe steps to support technical and legal capabilities of relevant government institutions to strengthen compliance with the country's duties and obligations under international law with respect to the rights of indigenous peoples.

### **9. Grievance Redress Mechanism**

- Discuss project-specific Grievance Redress Mechanism (GRM) that will be established to complement the existing mechanisms at the local level. In areas where IPs may be present, discuss the separate mechanism that will be established in consideration of their traditional grievance resolution processes and systems. Describe how this GRM for IP communities will take into account the different customary institutional practices of the concerned ethnic tribes and language barriers in the Project sites.
- Describe the institutional arrangements for the IP GRM. Discuss the feedback system that will be implemented, including identified responsible focal person from the IP communities, regional Project Team, and national Project Management Unit (PMU). Discuss how the IP GRM that will be developed will promote mutual acceptable resolution of issues.
- Describe how the IP GRM will be put in writing in languages that are understandable to the ethnic tribes concerned, translated into user-friendly Information, Education and Communication (IEC) materials, and distributed to concerned IP communities to facilitate accessible, fair, transparent and constructive process of resolving conflicts. Explain the IP GRM procedure on public posting, including the set period of resolving conflicts, necessary forms to be filled-up by the complainant and resolution procedure as well as appeals process.
- Describe the formal documentation process of resolving conflicts, including the setting-up of the database on grievances and resolutions that will be undertaken. Discuss how this documentation process and grievance registry/database will form part of the Projects M&E system.
- Describe the eligibility criteria that will be set by the concerned IP communities together with the PMU based on traditional decision-making structures and the Project GRM. Minimum eligibility criteria may include, among others:
  - Negative economic, environmental and socio-cultural impacts on an individual IP or communities perceived to result from Project interventions;

- Identified impact that has occurred or has the potential to occur and description of the extent of impacts that may arise from Project interventions; and
- Specific IP person and/or communities filing a complaint and/or grievance is impacted or can potentially be impacted or representative of the impacted IP person and/or communities with authorization.

#### **10. Monitoring, Reporting, Evaluation**

- Describe the Project M&E system that will be developed will include M&E indicators related to the implementation of the IP Plans.
- Discuss how the project will ensure participation of IPs in the development of M&E indicators concerning IPP implementation.
- Define IP focal persons and local NCIP offices which will form part of the project governance and technical committees.

#### **11. Institutional Arrangements**

- Describe the institutional arrangement responsibilities and mechanisms for carrying out the measures contained in the **IPP**, including participatory mechanisms of affected indigenous peoples. Describes role of independent, impartial entities to audit, conduct social and environmental assessments as required, and/or to conduct oversight of the project.
- Describe the roles of the Environmental and Social Safeguards Specialist.
- For the IP communities that will be impacted or perceived to be impacted by Project interventions, discuss how the PMU will work with the focal persons from the communities on the implementation of the IP Plans.

#### **12. Budget and Financing**

- Present an appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the activities described.

**Note:** The **IPP** will be implemented as part of Project implementation. However, in no case shall Project activities that may adversely affect indigenous peoples – including the existence, value, use or enjoyment of their lands, resources or territories – take place before the corresponding activities in the **IPP** are implemented. The relationship between the implementation of specific **IPP** measures and the permitted commencement of distinct Project activities shall be detailed within the **IPP** to allow for transparent benchmarks and accountability. Where other Project documents already develop and address issues listed in the above sections, citation to the relevant document(s) shall suffice.

## 9.5 Sample Terms of Reference: Project-level Grievance Redress Mechanism

Source: Guidance Note on Stakeholder Engagement, UNDP Social and Environmental Standards (SES), October 2017

### I. Mandate

The mandate of the GRM will be to:

- i. Receive and address any concerns, complaints, notices of emerging conflicts, or grievances (collectively “*Grievance*”) alleging actual or potential harm to affected person(s) (the “*Claimant(s)*”) arising from Project.
- ii. Assist in resolution of Grievances between and among Project Stakeholders; as well as the various government ministries, agencies, and commissions, CSOs and NGOs, and others (collectively, the “*Stakeholders*”) in the context of the Project.
- iii. Conduct itself at all times in a flexible, collaborative, and transparent manner aimed at problem solving and consensus building.

### II. Functions

The functions of the GRM will be to:

- i. Receive, Log and Track all Grievances received.
- ii. Provide regular status updates on Grievances to Claimants, Project Board (PB) members and other relevant Stakeholders, as applicable.
- iii. Engage the PB members, Government institutions and other relevant Stakeholders in Grievance resolution.
- iv. Process and propose solutions and ways forward related to specific Grievances within a period not to exceed sixty (60) days from receipt of the Grievance.
- v. Identify growing trends in Grievances and recommend possible measures to avoid the same.
- vi. Receive and service requests for, and suggest the use of, mediation or facilitation.
- vii. Elaborate bi-annual reports, make said reports available to the public, and more generally work to maximize the disclosure of its work (including its reports, findings, and outcomes).
- viii. Ensure increased awareness, accessibility, predictability, transparency, legitimacy, and credibility of the GRM process.
- ix. Collaborate with Partner Institutions and other NGOs, CSOs and other entities to conduct outreach initiatives to increase awareness among Stakeholders as to the existence of the GRM and how its services can be accessed.
- x. Ensure continuing education of PB members and their respective institutions about the relevant laws and policies that they will need to be aware of to participate in the development of effective resolutions to Grievances likely to come before the GRM.
- xi. Monitor follow up to Grievance resolutions, as appropriate.

### III. Composition

The GRM will be composed of:

[Name of Implementing Partner] as the Secretariat and either:

- (a) A standing GRM Sub-Committee [made up of x, y, z PB members],

and/or

- (b) Ad hoc GRM Task Teams in response to specific requests for grievance.

The GRM Sub-Committee will be balanced in composition (government and non-government) and should not include any PB members with a direct interest or role in the grievance/dispute.

#### **IV. [Name of Implementing Partner]**

In its role as GRM Secretariat, [Name of Implementing Partner] will perform the following core functions:

- Publicize the existence of the GRM and the procedure for using it.
- Receive and log requests for dispute resolution.
- Acknowledge receipt to the requestor.
- Determine eligibility.
- Forward eligible requests to the PB for review and action.
- Track and document efforts at grievance/dispute resolution and their outcomes.

#### **V. Project Board/GRM Sub-Committee/GRM Task Team**

The Project Board/GRM Sub-Committee and/or GRM Task Team will perform the following core functions:

- Take direct action to resolve the grievance/dispute (e.g. bring the relevant parties together to discuss and resolve the issue themselves with oversight by the PB).
- Request further information to clarify the issue, and share that information with all relevant parties, or ensure that a government agency represented on the PB took an appropriate administrative action to deal with a complaint.
- Refer the grievance/dispute to independent mediation, while maintaining oversight; or
- Determine that the request was outside the scope and mandate of the PB and refer it elsewhere (e.g. Ministry of Justice and Police or to the courts).

#### **VI. Communicating a Grievance**

(i) Who can Submit a Grievance?

A Grievance can be sent by any individual or group of individuals that believes it has been or will be harmed by the Project.

If a Grievance is to be lodged by a different individual or organization on behalf of those said to be affected, the Claimant must identify the individual and/or people on behalf of who the Grievance is submitted and provide written confirmation by the individual and/or people represented that they are giving the Claimant the authority to present the Grievance on their behalf. The GRM will take reasonable steps to verify this authority.

(ii) How is the Grievance Communicated?

The GRM shall maintain a flexible approach with respect to receiving Grievances in light of known local constraints with respect to communications and access to resources for some Stakeholders. A Grievance can be transmitted to the GRM by any means available (i.e. by email, letter, phone call, meeting, SMS, etc.). The contact information is the following:

[Implementing Partner to add address, phone number, fax, etc.]

To facilitate communications with and between the GRM and potential Claimants, the GRM will receive support from the PB members' institutions, local government, and civil society organizations

(iii) What information should be included in a Grievance?

The Grievance should include the following information:

- (a) the name of the individual or individuals making the Complaint (the "Claimant").
- (b) a means for contacting the Claimant (email, phone, address, other).
- (c) if the submission is on behalf of those alleging a potential or actual harm, the identity of those on whose behalf the Grievance is made, and written confirmation by those represented of the Claimant's authority to lodge the Grievance on their behalf.
- (d) the description of the potential or actual harm.

- (e) Claimant's statement of the risk of harm or actual harm (description of the risk/harm and those affected, names of the individual(s) or institutions responsible for the risk/harm, the location(s), and date(s) of harmful activity).
- (f) what has been done by Claimant thus far to resolve the matter.
- (g) whether the Claimant wishes that their identity is kept confidential.
- (h) the specific help requested from the GRM.

However, complainants are not required to provide all of the information listed above. Initially, the complainant need only provide enough information to determine eligibility. If insufficient information is provided, the GRM has an obligation to make a substantial, good faith effort to contact the complainant to request whatever additional information is needed to determine eligibility, and if eligible, to develop a proposed response.

## VII. Logging, Acknowledgment, and Tracking

All Grievances and reports of conflict will be received, assigned a tracking number, acknowledged to Claimant, recorded electronically, and subject to periodic updates to the Claimant as well as the office file.

Within one (1) week from the receipt of a Grievance, the GRM will send a *written* acknowledgement to Claimant of the Grievance received with the assigned tracking number.<sup>5</sup>

Each Grievance file will contain, at a minimum:

- i. The date of the request as received.
- ii. The date the written acknowledgment was sent (and oral acknowledgment if also done).
- iii. The dates and nature of all other communications or meetings with the Claimant and other relevant Stakeholders.
- iv. Any requests, offers of, or engagements of a Mediator or Facilitator.
- v. The date and records related to the proposed solution/way forward.
- vi. The acceptance or objections of the Claimant (or other Stakeholders).
- vii. The proposed next steps if objections arose.
- viii. The alternative solution if renewed dialogues were pursued.
- ix. Notes regarding implementation.
- x. Any conclusions and recommendations arising from monitoring and follow up.

## IX. Maintaining Communication and Status Updates

Files for each Grievance will be available for review by the Claimant and other Stakeholders involved in the Grievance, or their designated representative(s). Appropriate steps will be taken to maintain the confidentiality of the Claimant if previously requested.

The GRM will provide periodic updates to the Claimant regarding the status and current actions to resolve the Grievance. Not including the acknowledgment of receipt of the Grievance, such updates will occur within reasonable intervals (not greater than every thirty (30) days).

## X. Investigation and Consensus Building

Within one (1) week of receiving a Grievance, [Implementing Partner] will notify the **PB/GRM Sub-Committee (GRM SC)/GRM Task Team (GRM TT)** and any other relevant institutions of the receipt of the Grievance.

[IF THE PB, RATHER THAN A PRE-DESIGNATED GRM SC OR GRM TT IS THE PRIMARY BODY RECEIVING COMPLAINTS: The PB will identify a specific team of individuals drawn from the PB and/or their respective institutions to develop a response to the Grievance. The names of these individuals will be made available to the Claimant.]

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<sup>5</sup> Oral acknowledgments can be used for expediency (and also recorded), but must be followed by a written acknowledgment

The designated PB members/GRM SC/GRM TT will promptly engage the Claimant and any other relevant Stakeholders deemed appropriate, to gather all necessary information regarding the Grievance.

Through the PB members/GRM SC/GRM TT, the GRM will have the authority to request from relevant Government institutions any information (documents or otherwise) relevant to resolving the Grievance and avoiding future Grievances of the same nature.

As necessary, the PB members/GRM SC/GRM TT will convene one or more meetings with relevant individuals and institutions in [national capital], or elsewhere in [name of country] as needed.

The objective of all investigative activities is to develop a thorough understanding of the issues and concerns raised in the Grievance and facilitate consensus around a proposed solution and way forward.

The PB members/GRM SC/GRM TT will procure the cooperation of their respective staff with the investigation.

At any point during the investigation, the PB members/GRM SC/GRM TT may determine that an onsite field investigation is necessary to properly understand the Grievance and develop an effective proposed solution and way forward.

## **XI. Seeking Advisory Opinion and/or Technical Assistance**

At any point after receiving a Grievance and through to implementation of the proposed solution and way forward, the PB members/GRM SC/GRM TT may seek the technical assistance and/or an advisory opinion from any entity or individual in [country] or internationally which may reasonably be believed to be of assistance.

## **XII. Making Proposed Actions and Solutions Public and Overseeing Implementation**

The PB members/GRM SC/GRM TT will communicate to the Claimant one or more proposed actions or resolutions and clearly articulate the reasons and basis for proposed way forward.

If the Claimant does not accept the resolution, the PB members/GRM SC/GRM TT will engage with the Claimant to provide alternative options.

If the Claimant accepts the proposed solution and way forward, the GRM will continue to monitor the implementation directly and through the receipt of communications from the Claimant and other relevant parties. As necessary, the GRM may solicit information from the relevant parties and initiate renewed dialogue where appropriate.

In all communications with the Claimant and other stakeholders, the GRM will be guided by its problem-solving role, non-coercive principles and process, and the voluntary, good faith nature of the interaction with the Claimant and other stakeholders.

## **XII. Monitoring and Evaluation**

Bi-annually, the GRM will make available to the public, a report describing the work of the GRM, listing the number and nature of the Grievances received and processed in the past six months, a date and description of the Grievances received, resolutions, referrals and ongoing efforts at resolution, and status of implementation of ongoing resolutions. The level of detail provided with regard to any individual Grievance will depend on the sensitivity of the issues and Stakeholder concerns about confidentiality, while providing appropriate transparency about the activities of the GRM. The report will also highlight key trends in emerging conflicts, Grievances, and dispute resolution, and make recommendations regarding:

- i. Measures that can be taken by the Government to avoid future harms and Grievances.
- ii. improvements to the GRM that would enhance its effectiveness, accessibility, predictability, transparency, legitimacy, credibility, and capacity.

## **XIII. Mediation**

For the option of independent mediation, mediators on the roster/panel should have at least the following qualifications:

- Professional experience and expertise in impartial mediation.
- Knowledge of [project type and activities in the country] and the region, including an understanding of indigenous and tribal culture and practices.
- [National and local language, as appropriate] proficiency.
- Availability in principle for assignments of up to 20 days.
- Willingness to declare all relationships and interests that may affect their ability to act as impartial mediators in particular cases.

If mediation succeeded in resolving the dispute or grievance, the outcome will be documented by [Implementing Partner] and reviewed by the Task Team. If it is unsuccessful, stakeholders will have the option to return to the PB members/GRM SC/GRM TT for assistance.

#### **XIV. Without Prejudice**

The existence and use of this GRM is without prejudice to any existing rights under any other complaint mechanisms that an individual or group of individuals may otherwise have access to under national or international law or the rules and regulations of other institutions, agencies, or commissions.