

**Minutes of Meeting**  
**Internal Pre-Appraisal Committee Meeting for GCF REDD+ Results Based  
Payment Pilot Programme**

14 February 2020

Ambon Room, UNDP Indonesia Country Office

**Attendance:**

1. Sophie Kemkhadze, Ph.D. Deputy Resident Representative
2. Dr. Agus Prabowo-Senior Adviser to UNDP Senior Management and Acting Head of Environment Unit
3. Dr. Abdul Wahib Situmorang, Natural Resource Governance Adviser, Environment Unit
4. Ms. Marina Adel, Climate Change Programme Manager, Environment Unit
5. Mr. John Kimani Kirari-Renewable Energy Specialist, Environment Unit
6. Mr. Boyke Octavian Lakeseru, Project Manager for Market Transformation, Environment Unit
7. Mr. Bayuni Shantiko, Project Manager for Biodiversity Financing
8. Mr. Siprianus Bete Soro, Head of Governance Unit
9. Mr. Ari Lesmana, Programme Manager for Health Governance, Governance Unit
10. Ms. Linda Hartono, Head of Finance Unit, Operation Unit
11. Mr. Martin Stephanus Kurnia, Head of Procurement Unit, Operation Unit
12. Mr. Sandra Lega, IT Associate, Operation Unit
13. Ms. Deviyanti Adwinasari, Procurement Support Specialist, Operation Unit

During the Internal Pre-Appraisal Committee Meeting, UNDP Indonesia Deputy Resident Representative gave the opening remarks highlighting the primary purposes of having the meeting for the Green Climate Fund (GCF) REDD+ Results based Payment Pilot Programme, noting that the Ministry of Environment and Forestry has appointed UNDP as the Accredited Entity to submit a funding proposal in response to this pilot programme. Acting Head of Environment Unit gave brief remarks on the GCF REDD+ Results-Based Payment Pilot Programme funding proposal highlighting the importance of working closely with the BPDH (Indonesia Environment Fund) as the leading implementing partner. Natural Resource Governance Adviser presented the REDD+ Results-Based Payment Pilot Programme proposal (hereafter referred to as proposal).

The following points are worth noting:

- Colleagues appreciated tremendous work and innovative thinking that has gone into the development of the conceptual thinking around the proposal.
- The proposed institutional arrangement is quite substantial for the national level in which the Ministry of Finance-BPDH will be the leading implementing partner in close collaboration with the Ministry of Environment and Forestry. However, the role of the sub-national level – provincial and local governments require better articulation.

- It is commendable that the proposal will use the performance-based payment (PBP) for delivering Output 2. It was an innovative way to provide significant disbursement yearly and at the same time to encourage more activities to address main drivers of deforestation and forest degradation. However, it was essential to set a robust theory of change and indicators which were measurable, and smart ways to explain that PBP was different from RBP: (i) RBPs are financial incentives to Indonesia for its achievement in curbing deforestation, and is calculated based on the country's past performance in terms of emissions reductions (ERs) in the 2014-2016 period. RBPs will be secured once the proposal is approved by the GCF Board and transferred to UNDP as Accredited Entity, (ii) PBPs is a new modality used by UNDP to disburse these funds to BPDH yearly, based on jointly-agreed performance metrics related to the actual use of proceeds approved by the GCF Board (i.e. during project implementation from end-2020 or early 2021). Performance indicators used for the PBPs should be set at Activity, Output or Outcome level, while ERs correspond to impact level, which is depending on too many external factors and therefore too risky for use in the PBP agreement (e.g. due to fires in 2019, there would be no disbursements from UNDP, even though GoI had well implemented all agreed activities).
- It was noted that the proposal was strongly aligned with the priorities of the government, as well as UNDP's priorities under upcoming CPD 2021-2025. It was also noted complementarity between this project and UNDP's existing portfolio, e.g., CONSERVE Project, which will have social forestry activities, for doubling the impact, or the Health Governance portfolio which would look at the impact of deforestation on health.
- In terms of project implementation modality, it was noted that the Government expectation was to get NIM with Country Office Support System (COSS). If required, a set of services expected to be provided will be identified as well as a request letter from the implementation partner.
- In terms of procurement and financing, it was essential to identify the type of goods and services, and third parties as service providers. The procurement plan could start in the initial stage to ensure that all plans are implementable. For the financing aspect, UNDP would need to conduct training for IP to have sufficient reporting capacity using UNDP standard.

#### **Follow up Actions**

- Environment Unit to share the revised GCF REDD+ RBP Pilot Programme Funding Proposal with relevant UNDP colleagues for further feedback and project alignment.
- Environment Unit to discuss with the project implementing partner concerning the provided inputs such as the project implementation modality, PBP etc.
- Environment Unit to inform when the environmental, social and gender safeguard assessment starts.
- Environment Unit to share with UNDP CO gender focal point to have initial feedback.

- Environment Unit to facilitate a technical meeting on the budget and procurement plan.