



An Operational Safeguards Framework for KFCP

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PREFACE

Designed in 2009, the Kalimantan Forests and Climate Partnership (KFCP) operated in Central Kalimantan, Indonesia from early 2010 to June 2014 on a 120,000 hectares (ha) site, comprising peat swamp forest (PSF) that had been badly degraded through drainage for rice cultivation and fire. KFCP forms part of the Indonesia-Australia Forest Carbon Partnership (IAFCP), established in 2008 by the Governments of Australia and Indonesia as a mechanism to deliver a range of climate change initiatives.

The bulk of village-level activities funded by KFCP were self-managed by villages, with technical and capacity building support provided by program staff. Following a year of preparatory activities (mapping, assessments, training, establishment of processes and teams, and small trials of nursery seedling production and planting), and a further 3 months of implementing village-level activities under Village Agreements in the KFCP area, IAFCP in coordination with CARE International commissioned this Operational Safeguards Framework report for KFCP by an external consultant.

The formulation of the Operational Safeguards Framework was a part of IAFCP/CARE's efforts at continuous improvement and review for the activities being trialled to contribute to Reducing Emissions from Deforestation and forest Degradation (REDD+). The Framework sought to incorporate emerging safeguards frameworks for REDD+ in Indonesia (relevant to projects) into the existing safeguards used by KFCP in Village Agreements and the wider program. The relevant Indonesian REDD+ safeguards standards used for the Operational Safeguards Framework (in addition to those already used by KFCP) included the PRISAI (Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia - *Prinsip, Kriteria dan Indikator Safeguards Indonesia*) and REDD+ Social and Environmental Standards (REDD+ SES) criteria relevant for projects, both of which draw on United Nations Framework Convention on Climate Change (UNFCCC) safeguards principles. The assessment underpinning the Framework sought to identify key points for refinement and modification to village-level activity implementation processes and where further support could be provided by the program for villages.

The draft report written by Raja Jarrah was submitted in June 2012 and finalised in August 2012.

KFCP adopted the Operational Safeguards Framework principles and criteria recommended by the report, and, as suggested, trialled the draft indicators proposed and further developed and refined these with villagers. In response to the recommendations of this and other reports, KFCP also improved its documentation processes, which included retrieving documentation held in villages for the prior 18 months and establishing an archive and various databases.

The learning from the trials of REDD+ safeguards for KFCP and iterative processes to refine safeguards indicators for village-level application can be found in the safeguards lessons learned paper (Nurhayati *et al.* 2014) and other publications on the IAFCP and FORDA (Indonesian Ministry of Forestry) websites.

This assessment was carried out in collaboration with the governments of Australia and Indonesia, but the analysis and findings presented in this paper represent the views of the author and do not necessarily represent the views of those governments. Any errors in the working paper are the author's own. This paper constitutes a suggested framework and interim assessment, and as such, there is potential for future refinements to accommodate further evidence on progress made after the framework was developed.

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EXECUTIVE SUMMARY

This report recommends a safeguards framework for KFCP that conforms with various international and national REDD+ standards and proposes mechanisms to put it into practice.

It is in four sections. Section 1 briefly describes the methodology of the study. Section 2 reviews the purpose of REDD+ safeguards and the needs of different stakeholders, who have different priorities and perspectives of risk, including rights-based, environmental, operational, financial and reputational risks.

Compliance with established REDD+ standards provides one important type of safeguard. However, the most effective safeguard is good project management, which critically includes an open feedback system that allows all stakeholders to have their concerns addressed. This element is notably missing from the KFCP at present.

The range of existing REDD+ safeguards and standards that can be applied to KFCP are compared, including UNFCCC, REDD+SES, PRISAI and World Bank approaches. Drawing from these, Section 3 then presents the proposed KFCP safeguards framework that fulfils the World Bank's existing requirements, and puts KFCP in a position to comply with any forthcoming national safeguards framework for Indonesia.

The proposed framework consists of principles, criteria and indicators. The safeguards principles proposed for KFCP include governance, social and environmental considerations:

Governance			
1. Land Rights: Rights to lands, territories and resources in the project area are recognized and respected	2. Participation: All sections of the community participate fully and effectively in decisions that affect them	3. Grievances: Grievances related to the implementation of KFCP are addressed in a timely and just fashion	4. Integrity: All finances made possible through the project are managed with integrity and transparency
Social			
5. Equity: The benefits arising from the KFCP program are shared equitably among all relevant rights holders and stakeholders.	6. Livelihoods: KFCP activities improve the long-term livelihood security of men, women and children in affected communities	7. Gender: Actions promoted by KFCP are gender-sensitive practices and empower women in the communities	
Environmental			
8. Environment: The local environment is not degraded as a result of practices arising from KFCP's activities	9. Biodiversity: KFCP maintains and enhances local biodiversity		

To make the safeguards operational, each principle is broken down into a number of criteria which define the necessary conditions for that safeguard to be met. Each criterion in turn can be further described by a number of indicators which are used for monitoring purposes. Annex IV to this document is a Menu of Indicators that contains the type of data that could potentially be useful. This is not a directive list of information that must be collected, but rather as a resource to aid reflection by KFCP staff.

Section 4 discusses how this framework can be applied in practice. In the near future the structure of KFCP will be affected by the launching of the Kalimantan Forest & Climate Trust Fund (KFCTF) as the channel for all payments to communities, which will have its own staff. It is therefore proposed that the safeguards be separated into three categories or “levels”:

Level 1 is a small sub-set of 12 indicators collected by the TP and used by the Trust Fund team as conditions for payments to villages. It is important that the safeguards are connected to eligibility for payment both to give villagers an incentive for compliance, and to build the capacity of communities to monitor safeguards that will be a condition for funding from other sources in future (e.g. REDD+ carbon credits).

Level 2 is a somewhat larger set of village-level indicators, collected by the KFCP Community Engagement team to monitor other village processes that are not directly linked to payments. Emphasis is placed on the need for a feedback mechanism, distinct from the grievance mechanism enshrined in the Village Agreement, for community members to give feedback about KFCP in a more direct way. This would allow community members to raise issues when they feel the village grievance mechanism is not appropriate.

If this feedback mechanism is working well, it eliminates the need for an exhaustive collection of detailed indicators for every conceivable safeguard. Ensuring that there is a mechanism that will pick up when things go wrong means that regular reporting can be confined to a manageable number of key indicators.

In a fully participatory process, different stakeholders would define what village indicators they think are appropriate for each safeguard. Reaching consensus on this list will take time. In the meantime, a checklist using the suggested indicators can be used as an interim baseline for collecting safeguard data. This can form the basis of a series of consultations with villagers and other stakeholders to agree improved indicators.

Finally, beyond the village, Level 3 indicators will monitor safeguards processes that need to be put in place by project management. These are essentially good project management practices that create the organisational environment for the safeguards to be effective. Paramount among these is for KFCP management to institute regular multi-stakeholder consultations so that KFCP performance on safeguards can be shared. These events must be expertly facilitated to ensure they become neither an opportunity for unsubstantiated complaints, nor simply a public relations exercise.

In order to finalise the framework, the next steps are:

- a. KFCP management and staff to review the suggested indicators, particularly at levels 1 & 2, and agree whether they are acceptable as a starting point for a wider participatory process;
- b. If not, modify as necessary. Once finalised, develop checklists for field staff to use to for village training and to monitor safeguards compliance;
- c. After an initial round of data collection, convene consultation meetings with villagers and other stakeholders to report back on initial findings, solicit feedback, and refine the system;
- d. In consultation with the M&E team, integrate the indicators and data requirements into the project M&E system.

Compliance with REDD+ safeguards is a process of learning and improvement. A high profile REDD+ pilot project like KFCP can make a valuable contribution to learning about how REDD+ works in practice by investing in a workable system of safeguards which meets technical standards, involves stakeholders, and uses resources efficiently.

KFCP should produce a safeguards compliance report once a year, for external circulation to all interested stakeholders. Timely and transparent reporting on social and environmental safeguards will inspire confidence in KFCP.

OPERATIONAL SAFEGUARDS FRAMEWORK FOR KFCP

1. Process

The consultancy comprised the following elements, in broadly sequential order:

1. In-depth review and analysis of the project documentation for KFCP, plus a number of external commentaries, a list of which is in Annex III. This was used to assess the current awareness of and commitment to specific safeguards provisions, as well as to serve as a basis for a gap analysis in comparison with other safeguards frameworks. Notably this included a detailed review of the Regional Environmental Social Assessment, RESA, which forms the basis of the various World Bank safeguards instruments that apply to KFCP and KFCTF;
2. Discussion with Indonesian NGO HuMa, which is responsible for development of the Indonesian REDD+ standards known as PRISAI, on the status of these standards and how they might apply to KFCP in future;
3. Briefing with the IAFCP advisers on Forests & Climate, and Monitoring, Evaluation & Research;
4. Meetings and discussions with managers and from the KFCP team in Kapuas, and relevant team members from the social development and technical teams, including the Gender and Social Safeguards specialist, to review current and understandings and practices with regards to safeguards;
5. In particular, detailed discussions with the KFCP Social Development Manager, whose consistent and dedicated support and attention are especially acknowledged;
6. Exchange of views with the visiting consultant on gender and conflict, to discuss areas of overlap and ways to ensure coherent conclusions from the two consultancies;
7. Workshop with field staff from the Community Engagement Team, to test preliminary findings and gain further perspectives on what might constitute a workable safeguards system;
8. Debrief with team managers in Kapuas, and advisers in Jakarta;
9. Consultation meeting to review preliminary conclusions with staff of the World Bank in Jakarta (in person), and URS, the consultancy firm that is drafting the World Bank safeguards instruments, in Adelaide (by telephone).
10. Finally, an informal meeting with community members and others held in Jakarta at the request of a group of NGOs, to present an external view of emerging concerns and relevant safeguards issues within KFCP.

2. Basis for framework

2.1 *The need for safeguards*

As with any other development or conservation intervention, REDD+¹ has the potential both to bring benefits and to do harm. The need for safeguards in the implementation of REDD+ is widely acknowledged, even though different stakeholders may have different motivations and priorities as to the risks that they seek to minimise. There are broadly five reasons why safeguards are important in REDD+:

¹ Throughout this report the term “REDD+” is used in preference to “REDD”, as this most accurately describes the KFCP activities of sustainable management of forests and the enhancement of carbon stocks.

- a. To protect and promote **rights of local communities** and indigenous peoples whose livelihoods depend on the forest. Safeguards are needed to ensure that REDD+ activities do not impoverish traditional forest users, and moreover, brings them additional benefits.
- b. To ensure that there are minimal negative **impacts on the environment** and that carbon gains are not achieved at the expense of other environmental assets.
- c. To improve **effectiveness of the REDD+ activities**, through the active cooperation and participation of interested groups. Activities designed to reduce forest loss are more likely to succeed when those affected by them perceive a benefit to be gained.
- d. To secure **finance for the project** development, and subsequently on the basis of results. All existing sources of finance, be they through official or market-based channels, stipulate the need to comply with some form of REDD+ safeguards as a condition of funding.
- e. To protect the **reputation** of KFCP and its sponsors. REDD+ is a controversial area for many reasons, some of which play out on the international arena and for which KFCP cannot perhaps bear direct responsibility (for example, the potential use of REDD+ carbon credits as an offset). Nevertheless, because it is a REDD+ project, and because it is in Indonesia where a great deal of unregulated deforestation is occurring, KFCP will continue to be under continual scrutiny and attention from academics, campaigners and the media. Adequately addressing safeguards can help KFCP demonstrate the a high level of integrity at project level, and a conscious effort to maximise benefits and minimise harm. This will also add value to KFCP as a demonstration project which is designed to inform policy globally.

Different stakeholders have different interests, priorities and perceptions of risk. For example, local NGOs and external observers often focus on issues of rights of people and the environment; project implementers and researchers are most interested in effectiveness, and, beyond the inception phase, in attracting results-based funding; while communities themselves commonly consider safeguards simply as part of the conditions they have to meet to get access to project funds. A safeguards framework for KFCP needs to accommodate all these interests, which means that it will include elements that some stakeholders may consider superfluous or redundant. Yet a comprehensive framework is needed to address all aspects of reputational risk.

2.2 Safeguards beyond standards

REDD+ standards are often confused with REDD+ safeguards. They are related but not the same. A safeguard is any measure which is dealing with the perceived risks of REDD+.² As such, standards are simply one (important) form of safeguard – by establishing the benchmark for what is considered to be good practice, they guard against any slippage in programme quality. However REDD+ standards are most effective when they are used in conjunction with other safeguards that are not specific to REDD+, such as those related to:

- **Good project design**, which considers the needs and interests of all stakeholders and plans for actions to mitigate risks. In this regard KFCP is well designed, taking together the project document and accompanying set of documentation and analysis, which is comprehensive;
- **Consistent implementation**, to ensure that the project is implemented as designed. To a large extent this depends on the quality and commitment of staff, and the accompanying performance management systems in place. This was not within the remit of this consultancy to analyse;

² [“Social and environmental 'safeguards' are requirements or measures that aim to protect people and biodiversity and other environmental services from harm.” see REDD+Social & Environmental Standards <http://www.redd-standards.org/complementarity-with-other-safeguard-mechanisms>](http://www.redd-standards.org/complementarity-with-other-safeguard-mechanisms)

- **Effective programme management**, to support implementation and respond to unexpected obstacles. Again this consultancy was not designed to look into this, however the observation is made that in a complex project structure with separate teams for the separate components, there is a risk of mixed messages to the community particularly with regards to safeguards, which may not be seen as the responsibility of all;
- **Working M&E system**, that captures information that is used to refine and improve planning and implementation. It is noted that the M&E framework for the project is only now being set up, which is late for a project of this age. However this delay does represent an opportunity for safeguards indicators to be built in now;
- **Accessible feedback mechanism** so that those that are most affected by the project are able to raise concerns and seek redress. The surest safeguard against the project having unexpected damaging results is to maintain a channel for the open flow of information from all sources. This is notably missing from the project. Notwithstanding the village-level grievance mechanism established in the Village Agreements, there is anecdotal evidence that communities and other civil society actors do not feel they have an avenue to pursue and allay their concerns about the project. KFCP staff work under the belief that the project has successfully obtained free, prior and informed consent of the people it is working with for the activities that are under way. There are some who think otherwise, and an open feedback mechanism is important to reconcile these views³.

The above management practices do not carry the label “safeguards” but they are arguably as important as formal safeguards in managing project risks. Indeed, a well-designed project, competently implemented and with accountable feedback mechanisms, would in theory have no need for a separate safeguards framework. In practice, given the complexity and novelty of REDD+, REDD+ standards can help improve project management practices (for example, by suggesting indicators that can be used in M&E) - though they cannot substitute for them.

2.3 Existing safeguards frameworks

Safeguards relevant to KFCP’s REDD+ activities have been articulated at different levels, from international to community level. Many high level safeguards contain concepts which can translate easily into local level implementation – for example, full and effective participation is enshrined in the international UNFCCC (United Nations Framework Convention on Climate Change) safeguards, and is readily applicable in communities. Other safeguards do not lend themselves to being applied at levels outside the ones they were conceived for. For example, it is very difficult to hold a community accountable for “leakage”, which is the displacement of deforestation drivers from one area to another – yet this safeguard is essential at international, national and provincial levels in order to achieve real reductions in carbon emissions from forests as a whole. In this example, if KFCP were to address leakage, it would do so through engagement with provincial government, rather than incorporate it into village level safeguards.

Levels of REDD+ safeguards

safeguards	INTERNATIONAL	NATIONAL	PROVINCE	PROJECT	COMMUNITY
UNFCCC					
REDD+SES					
World Bank					

³ e.g. <http://www.redd-monitor.org/2012/03/09/interview-with-teguh-surya-walhi-we-are-against-redd-we-are-against-carbon-trading/>

PRISAI					
UKL/UPL					
KFCP					

The **UNFCCC** safeguards are the point of reference for all safeguards for REDD+, since that is the institution that created the concept and will eventually agree the rules by which it is operationalised. These rules will apply to Parties to the Convention, i.e. national governments⁴. Whenever a regime is finally agreed for the international reporting of these safeguards, the Indonesian government will need to collect and aggregate data from individual projects, districts and provinces to provide an overall picture. Thus while the UNFCCC safeguards are not directly applicable to KFCP, they define the scope of safeguards that must be met and reported on at project level. They cover governance, social and environmental considerations.

Similarly, the **REDD+ Social and Environmental Standards (REDD+SES)** are not designed to be applied at project level. These standards are the result of a multi-stakeholder initiative to operationalise and go beyond the UNFCCC safeguards. They are being piloted in a number of countries and sub-national provinces, including Ecuador, Brazil, Tanzania, Nepal and Indonesia. This process is not very advanced in Central Kalimantan⁵.

Meanwhile **PRISAI** is the Indonesian⁶ initiative to develop standards for REDD+ projects, with the support of the Ministry of Forestry and President’s Unit for Development Control and Monitoring (UKP4). It draws heavily from the work of REDD+SES. At the time of writing REDD+SES has eight principles and PRISAI has eleven⁷. The intention is for PRISAI to eventually become the lens through which all Indonesian REDD+ projects are analysed, approved, registered, and potentially funded. These standards are still under development, with the criteria not finalised. However, it is probable that the final version of PRISAI will be similar to the draft version in circulation, in content if not in form, bearing in mind the multiple expectations of UNFCCC, donors, the private sector, civil society and indigenous peoples’ organisations. With a view to the long-term continuity of REDD+ activities, it is recommended that KFCP makes every effort to become “PRISAI compliant”.

The **World Bank** safeguards are not specific to REDD+, and are designed to minimise the social and environmental risks associated principally with infrastructural projects. In this case they are triggered due to the involvement of World Bank in the financial arrangements of the forthcoming Kalimantan Forest Carbon Trust Fund. These include the RESA at provincial level, and the more specific Indigenous Peoples’ Plan (IPP) and Access Restriction Process Framework (APRF) for the project, which deals with the social components of the programme. **UKL/UPL** is the environmental management plan required by Indonesian law, focussing on environmental safeguards. It fulfils the role that an environmental impact assessment normally required by the World Bank. The World Bank safeguards overlap substantially with other REDD+ safeguards, with some gaps and differences of emphasis. Moreover, they are principally applicable at the design stage of a project, and contain little guidance for practical implementation. Implementation of the WB safeguards is generally dealt with in the PAD and the PIP. **KFCP** has developed its own set of preliminary safeguards that can be applied at project and community level, drawing from the above sources and others. It is based on an

⁴ The definitive UNFCCC statement on safeguards is found in Appendix 1 to the Cancun Agreements, FCCC/CP/2010/7/Add.1, see <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>.

⁵ In Indonesia the initiative is being facilitated by the Clinton Climate Initiative: Stepi Hakim, CCI Forestry National Coordinator, shakim@clintonfoundation.org.

⁶ A multi-stakeholder process led by the legal reform organisation HuMa (Perkumpulan untuk Pembaharuan Hukum Berbasis Masyarakat dan Ekologis)

⁷ As of May 2012 PRISAI has not been finalised and so this may change. REDD++SES has undergone two revisions and it is expected that subsequent iterations will be fine-tuning, with no significant change to the principles.

analysis of the content RED+SES and PRISAI, plus the principles stated in Part A of the Village Agreements which have been signed with every participating community (see box below).

Safeguards principles from the Village Agreement

- a. KFCP would never try to change the legal status and indigenous rights of land and rural areas.
- b. KFCP will respect and recognize the customary laws including those that set natural resources.
- c. The advantages of KFCP activities should be shared equitably among all of the stakeholders, including women and marginalized groups.
- d. KFCP activities should support sustainable livelihoods in accordance with rural development plans.
- e. All members of the community in the village have the rights to fully and effectively participate in the program.
- f. Members of the public have the rights to get accurate information about the KFCP's activities to ensure good program governance.
- g. The implementation of the program must be in line with local and national laws and regulations (including customary law), as well as international conventions.

KFCP has been working with an interim sub-set of social safeguards which are applied across the work of all the technical areas. These social safeguards are based on three principles, described by the project as "minimum " list in order to test how practical they would be when applied to the realities on the ground. The intention is that they could be added to as necessary. The environmental safeguards in KFCP are more technical, based on the recommendations of UKL/UPL and good practice as codified in the international standard ISO 14001.

The significant efforts of KFCP's Social Development Manager in developing a workable set of operational safeguards are acknowledged and appreciated. These are largely on the right track and can be incorporated directly into the final safeguards framework for KFCP.

All of these sources have something to contribute to KFCP's safeguards framework. At present very few safeguards provisions are mandatory. Currently the only legal requirements are Indonesian environmental law, (UKL/UPL) and AusAID contractual obligations on child protection and sourcing of timber. However, simply complying with these minimal legal requirements does not address the majority of safeguards issues and leaves KFCP with a huge residual reputational risk. Engaging with World Bank brings with it certain requirements and operating procedures which significantly widens the scope of the safeguards. Operational detail is provided by the REDD+ SES, which is a voluntary code, as is PRISAI, though in future that may have the force of law (or at least be a condition of funding).

3. Social and Environmental Safeguards for KFCP

3.1 KFCP principles

Essentially KFCP's safeguard framework needs as far as possible to:

1. Be consistent with emerging good practice in the field of REDD+ safeguards, including the Indonesian standards that are being developed;

2. Respect the requirements of safeguards instruments that have been triggered by the World Bank involvement in the project;
3. Fit with the overall monitoring and evaluation framework of KFCP

Fortunately, the demands from these three sources are relatively straightforward to reconcile. Good M&E will need information on social and environmental impacts. There is substantial overlap between the World Bank and REDD+ safeguards requirements, despite the differences in form. REDD+SES and PRISAI set safeguards standards in the form of principles and criteria. The World Bank safeguards, expressed in instruments such as the Indigenous Peoples' Plan and the Access Restriction Process Framework, describe plans and processes rather than principles. However it is possible to discern the relevant principles that are implied by these instruments.

Synthesising the above, the following safeguards principles are recommended for KFCP. These will ensure fulfilment of World Bank requirements, substantial conformity with what is expected from PRISAI, and high standard as befits a demonstration and learning project. While it would be possible to develop a more exhaustive list, this proposed set of safeguards is a workable compromise between comprehensiveness and practicality. The list excludes safeguards that are not appropriate to apply at the level of a single project, such as displacement of emissions to other areas (also known as "leakage"). They are divided into three main categories: governance, social, and environmental safeguards.

Suggested KFCP principles	Current PRISAI ⁸ principle	Implied by RESA and related documents	Indicated by REDD+SES Version2
Governance			
1. land rights	x		x
2. effective participation	x	X	x
3. grievance resolution		X	x (under 2 above)
4. financial integrity	x	X	x
Social			
5. equitable benefit sharing	x	X	x
6. livelihoods improvement		X	x
7. gender equality	x	X	x (cross-cutting)
Environmental			
8. environment		X	
9. biodiversity	x	X	x

⁸ PRISAI is not currently fully formulated beyond the principle level. Of the current 11 principles, only 6 apply at project level. Others refer to national obligations such as consistency with national emissions targets; improving forest sector governance; and addressing leakage. In addition, PRISAI has a set of fiduciary principles around sound financial management and anti-corruption.

These principles are largely self-explanatory and require little justification beyond that they already appear in one or more existing safeguards frameworks. The full wording for each principle is set out below, along with exploration of some possible implications for KFCP (beyond business-as-usual).

Governance safeguards principles:

1. Rights to lands, territories and resources in the project area are recognized and respected

The issue of land rights is critical to REDD+, as it determines in part the right of communities to consent to REDD+ activities taking place and to receive associated benefits, and as well as the responsibility for maintaining forests protected in the long-term. It is one of the most polemic issues in the REDD+ debate, often exacerbating tensions between claims on forest ownership by the state, indigenous peoples, and individual community members - as is the case in Central Kalimantan. While KFCP cannot be expected to resolve long-standing and deep-seated land tenure issues, neither can it remain completely passive over an issue that could become the focus of community dissatisfaction. This principle implies the need for KFCP

- to engage with policy makers to resolve land tenure ambiguities in the project area;
- to analyse the land tenure implications of all its project activities; and
- to have internal guidelines on how the project will proceed in areas with intractable land issues.

2. All relevant rights holders and stakeholders participate fully and effectively in decisions that affect them

An opportunity for dialogue between stakeholders with different interests, (such as communities, the private sector and government), is a mechanism for avoiding potential conflict and sharing ownership of difficult decisions. Community participation in particular helps to maintain the legitimacy of the programme at all its stages, by endorsing the activities and modifying them to avoid risks or enhance outcomes. However there is a danger that participation is not genuine and so-called community representatives are defending the interests of a particular group or elite. This implies that KFCP

- promote regular multi-stakeholder dialogues to report on and review progress of the project;
- take measures to ensure that community representatives are freely selected by, and report back to, their respective constituencies.

3. Grievances related to the implementation of the project are addressed in a timely and just fashion

However diligently the project and its safeguards are implemented, there will always be outcomes that the project has not foreseen or planned for. These risk creating discontent and injustice, and can also jeopardise project activities. In the case of KFCP, there is a grievance mechanism written into the Village Agreements that makes use of traditional dispute resolution structures. However, this seems to have been little used up to now, and its scope may be restricted to localised conflicts over individual work packages. Also, given the close kinship relations in small communities, it may be difficult for all community members to voice grievances that challenge the social status quo. KFCP must

- satisfy itself that there are alternative ways to resolve complaints and disputes related to the wider implementation of the project; and
- visibly demonstrate how issues that have been drawn to its attention have been redressed or responded to.

4. All finances made possible through the project are managed with integrity and transparency

KFCP is essentially an environmental rehabilitation project, with the added complexity of REDD+ to provide funding in exchange for the environmental services. The introduction of finance creates the opportunity for corruption⁹, elite capture¹⁰ and other rent seeking¹¹. Transparency is the most effective antidote to financial mismanagement, and KFCP can lead by example by

- disclosing financial information to stakeholders at an appropriate level of detail to demonstrate its own good financial stewardship; and
- insisting on a similar level of transparency from its project partners, contractors and community institutions.

Social safeguards principles:

5. The benefits arising from the KFCP program are shared equitably among all relevant rights holders and stakeholders

All development projects run the risk of reinforcing existing power structures, with a disproportionate share of the benefits going to dominant individuals and groups, and REDD+ is no different. KFCP needs to take deliberate action to ensure that

- marginalised and vulnerable groups also share in the benefits, and
- achieving overall community benefits does not harm the welfare of any specific group.

6. KFCP activities improve the long-term livelihood security of men and women in affected communities

The reduction of carbon emissions from forests will be neither achieved nor sustained unless communities surrounding the forest have secure livelihoods. Particularly when REDD+ implies reduced access to forests, or a curtailment of traditional livelihood activities such as shifting cultivation, REDD+ could lead to the impoverishment of forest dependent communities. KFCP already has a livelihoods component to address this, which needs to be complemented with

- monitoring the evolving impact on livelihoods of the changing resource base of communities.

7. Actions promoted by KFCP are gender-sensitive practices and empower women in the communities

While women and men have equal rights, women generally start from a more disadvantaged position. Gender considerations can be frequently overlooked in the face of more technical effectiveness criteria when planning and executing activities. A specific gender safeguard helps to keep the issue on the active agenda. As part of its gender strategy KFCP should

- promote specific activities that empower women;
- monitor and review all project activities with a gender lens.

Environmental safeguards principles:

⁹ “corruption” is a broad term that covers activities, both legal and illegal, that bend the rules of good public conduct for private gain

¹⁰ “elite capture” refers to the tendency for powerful interests to channel the flow of funds in their direction

¹¹ “rent seeking” is when people who occupy influential positions claim a fee or rent for access to procedures or resources that would otherwise under normal circumstances be free of charge.

8. The local environment is not degraded as a result of practices arising from KFCP's activities

The KFCP programme involves a range of physical interventions to create the conditions for reduced carbon emissions. As part of compliance with World Bank instruments and local environmental law (UKL/UPL), KFCP must

- monitor and address short-term environmental damage of its activities in localised areas.

9. KFCP maintains and enhances local biodiversity

The accumulation of carbon stocks must not be based on mono-cultures or other environmental changes that deplete the range and variety of naturally occurring species of plants and animals. KFCP activities must

- protect, restore or enhance biodiversity in the project areas.

3.2 Safeguards framework

To make the safeguards operational, each principle is broken down into a number of criteria which define the necessary conditions for that safeguard to be met. Each criterion in turn can be further described by a number of indicators which are used for monitoring purposes. This principles-criteria-indicators structure is commonly used in developing standards of all types.

Safeguards principles	Potential criteria		
Governance	1	2	3
1. Rights to lands, territories and resources in the project area are recognized and respected	KFCP establishes who has rights to what land, either by statutory or customary law	Local community has given consent freely for all activities that have an impact on their rights to land and natural resources	Communities have secured long-term land rights beyond the lifetime of the KFCP
2. All sections of the community participate fully and effectively in decisions that affect them	Adequate information about KFCP is publicly available in a form that is accessible for the intended audience	Decision making structures within KFCP are clearly defined, transparent and accountable	Community representatives enable inclusive decision making and effectively communicate relevant information from and to the people they represent
3. Grievances related to the implementation of the project are addressed in a timely and just fashion	Community members have access to ways of registering and resolving complaints and disputes related to implementation of the project	Alternative channels exist for people from both within and outside the community to make complaints or give feedback to KFCP	KFCP regularly monitors grievances and uses the results to modify project activities
4. All finances made possible through the	Records of income and expenditure of all community activities	Mechanisms exist for monitoring and preventing financial	Procurement processes are open

project are managed with integrity and transparency	are publicly available in comprehensible form	irregularities as well as for taking action against those responsible	and transparent
Social	1	2	3
5. The benefits arising from the KFCP program are shared equitably among all relevant rights holders and stakeholders.	Transparent mechanisms exist for benefits to be shared equitably.	KFCP activities deliver benefits to particularly marginalized or vulnerable groups within the community	
6. KFCP activities improve the long-term livelihood security of men, women and children in affected communities	KFCP generates increases long-term livelihood security of communities, with special attention to women and the most vulnerable people	KFCP takes appropriate action to mitigate any negative impact of its activities on the livelihoods of any group in the community	
7. Actions promoted by KFCP are gender-sensitive practices and empower women in the communities	Work packages are designed to maximise the opportunities for employment of women	Women as a group are effectively represented in decision making structures and processes	KFCP implements specific activities targeted for the benefit of women
Environment	1	2	3
8. the local environment is not degraded as a result of practices arising from KFCP's activities	Physical works are carried out in ways that minimise disruption to the environment	Actions are taken to rehabilitate disrupted environments and facilitate their restoration	Environmental indicators are continually monitored over time
9. KFCP maintains and enhances local biodiversity	KFCP interventions promote the use of native species	KFCP does not lead to the conversion of natural forests to other land uses	KFCP assesses local biodiversity over time

This framework contains 25 criteria, which is sufficient to define the principles and yet still be accommodated in a practical monitoring and reporting system. If additional criteria are considered necessary, they should replace existing ones rather than add to the framework. There is nothing sacrosanct about the number of criteria per principle, so it is possible to remove unnecessary criteria.

4. Applying the safeguards

4.1 Levels of operation

KFCP currently uses its minimum set of safeguards as part of the process for validating village activities before payment is released. This serves one of the four purposes of safeguards referred to in section 2.1 above, namely that of access to finance. It is possible to define indicators for a sub-set of the criteria in the safeguards framework that would be sufficient to meet this need.

The remaining safeguards are required for other purposes: promotion of rights, environmental conservation, enhancement of impact, and protection of reputation.

The distinction between these different purposes for safeguards is particularly relevant for KFCP since in the near future the structure of the programme will be affected by the launching of the Kalimantan Forest & Climate Trust Fund (KFCTF). This will become the channel for all payments to communities, and will operate the safeguards validation process for payment purposes. The Trust Fund will have its own staff (provisionally referred to as the Payment Management Team (PMT))¹².

It is therefore proposed that the safeguards be separated into three categories or “levels”:

1. Safeguards critical to trigger payments for villages: PMT would collect only data that are needed to authorise funding.
2. Other village-level safeguards required for the wider REDD+ safeguards information system (include KFCP’s M&E, and reputation management): these will be collected by KFCP’s village facilitators (i.e. Community Engagement Team).
3. At the project level, safeguards processes above the village level: responsibility for these to be assigned as appropriate by project management.

Annex IV to this document is a Menu of Indicators that contains the type of data that could potentially be useful at each level. This is offered not as a directive list of information that must be collected on a systematic basis, but rather as a resource to aid to reflection by KFCP staff. Each level contributes data on different elements across all nine safeguards principles. Ultimately, overall safeguard compliance will be assessed by pooling information from these different levels and sources. This is standard practice in any monitoring and evaluation system, which uses multiple sources to collate, verify and triangulate data.

To separate out levels 1 & 2 in the eyes of the villagers as well as the project staff, the identity of the PMT ought to be clearly distinct from CE Team/village facilitators. This could be for example by having a distinctive uniform/T-shirt that is always worn when on duty. That way a clear distinction is maintained between monitoring for payment conditionality on the one hand, and the village accompaniment functions on the other.

4.2 Level 1: Safeguards for payments

For payments/ Trust Fund purposes, the PMT will collect technical and financial information on the achievement of work packages as part of the payment authorisation process. In addition, the village can be

¹² At the time of writing, in KFCP, the teams are engaged in what is called Verification. The term Verification Team is not used here to avoid any confusion between the existing and future staffing structure of KFCP/Trust Fund

expected to comply with a minimum set of safeguards criteria covering participation; grievance; equity; gender; financial integrity; and environment¹³.

Ideally the specific indicators for these safeguards should be developed by the villages themselves, in a participatory process where the purpose and rationale of the safeguards principles is explained. _As a starting point, the following indicators are suggested as the type of information that the villages should be expected to provide (extracted from Annex IV):

#	Safeguards Indicators for village payments
Participation safeguard	
1	% of households attending MUSDES to discuss work packages
2	All information on village notice board
Grievance safeguard	
3	No. of recorded grievances regarding work packages
4	No. of unresolved grievances
5	Existence of updated village grievance book
Integrity safeguard	
6	TPK/TP accounts are balanced and complete
7	Procurement lists are publicly displayed
Equity safeguard	
8	Volume of payment made to women
9	Volume of payments made to poor/marginalised households
Gender safeguard	
10	% of workers who are women
11	Existence of list of tasks suitable for women (or better, <u>not</u> suitable) ¹⁴
Environment safeguard	
12	Evidence that timber is from legal sources

¹³ The remaining three safeguards principles are not within the power of the village to resolve or be accountable for: Land Rights; Livelihoods; and Biodiversity. These are primarily the responsibility of KFCP to honour.

¹⁴ Currently Village Agreements require village implementation committees (TPK) to produce a list of activities suitable for women and people with disabilities. A more affirmative way of ensuring the right to work is for this list to be of activities NOT suitable, i.e. reinforcing the presumption that most work is suitable for most people.

This is not a great deal of information and it can be relatively easily collected by the TP, supported by the project as necessary to build their capacity. In most cases this information can be collected at village level across all work packages. However, in cases where work packages are separated by a significant period of time, or deficiencies in safeguards compliance have been noted, the data may need to be collected with greater frequency.

It is important that the safeguards are connected to eligibility for payment,

- a. to give an incentive for compliance, and
- b. to build the capacity of communities to monitor safeguards that will be a condition for funding from other sources in future (e.g. REDD+ carbon credits, which will be attached to safeguards conditions).

If these safeguards are NOT used as part of payment conditionality, it is incumbent on KFCP/IAFCP management to demonstrate how else compliance will be ensured and communities prepared for the demands of future REDD+ payments regimes.

The payment conditionality can be introduced in a gradual fashion. At first verification, any safeguards that are not met can be flagged for action, but does not need to result in payment being withheld. For subsequent payments, if no improvement is made, then payment can be delayed until the issue is corrected. Serious consideration needs to be given to the consequences of such action on the poorer people in the village, perhaps via targeted interim payments. Over time, information collected from the villages can be used to establish a benchmark of what is considered an “acceptable” level of performance (e.g. % of women in the workforce).

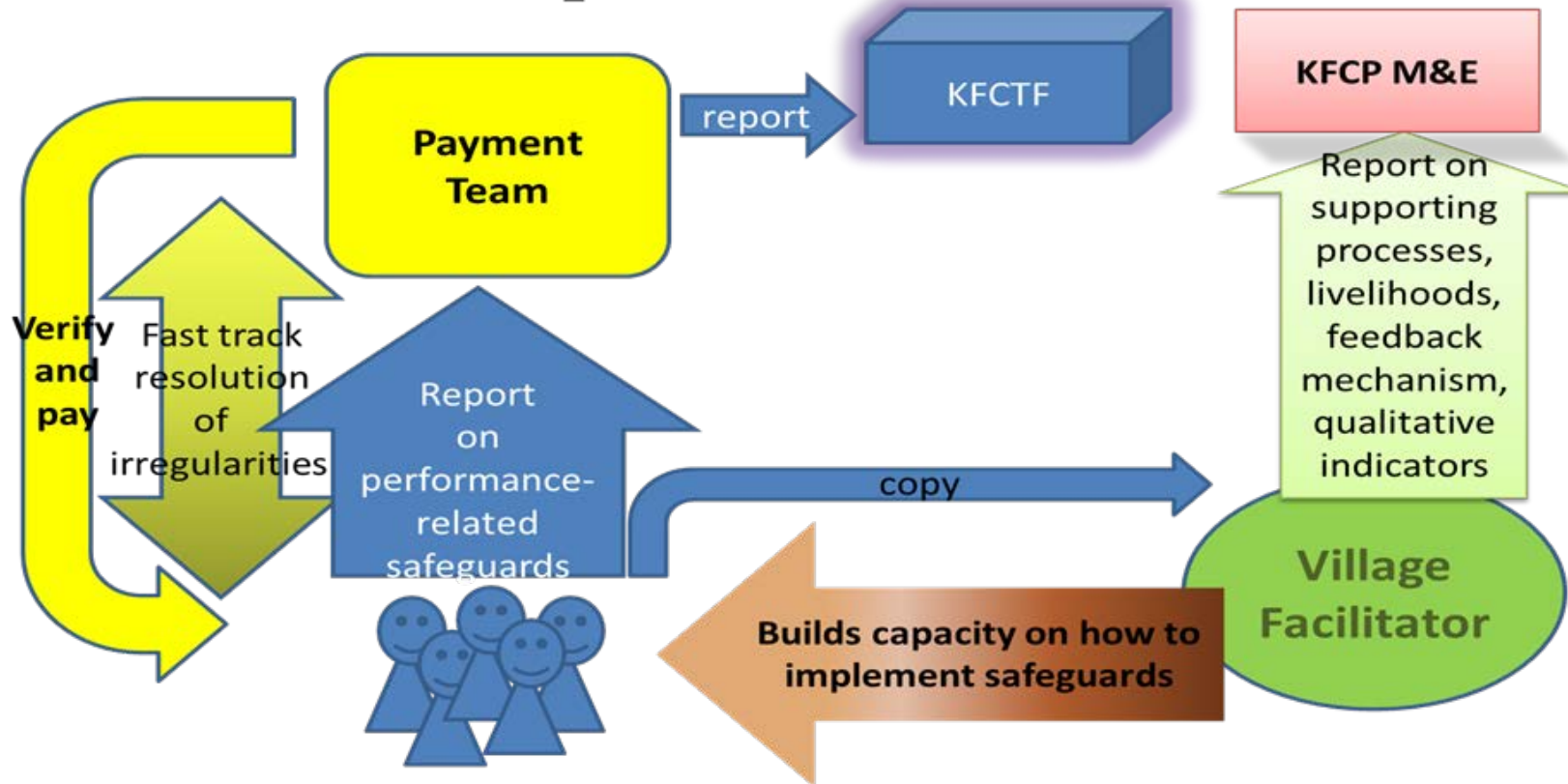
The regular data collection would be supplemented by random internal audit inspections at village level. This would not be punitive or with the purpose of trying to catch anyone out (though of course it will have a deterrent effect on malpractice) but rather to detect and help correct poor practices early.

4.3 Level 2: Other village level safeguards

Beyond the sub-set of safeguards indicators used for payments, a further list of indicators will be required from KFCP staff at village level to provide a more comprehensive picture of safeguard compliance. This additional information serves two purposes: to monitor the safeguards responsibilities of KFCP itself, which the TP/TPK is not accountable for; and to check and elaborate on the minimal information already provided by TP/TPK.

The following diagram illustrates the distinction between the level 1 indicators, that are the responsibility of the TP/TPK reporting to the KFCTF (Trust Fund Payments Team), and level 2 indicators for which KFCP Community Engagement Team (here called Village Facilitator) is responsible.

Possible division of responsibilities



The text and diagram above refer to the term “feedback mechanism”. It is recommended that KFCP staff based in villages operate an accessible mechanism, distinct from the grievance mechanism enshrined in the Village Agreement, for community members to give feedback about KFCP in a more direct way. This has to be structured carefully so it is not seen as undermining traditional conflict resolution processes, but nevertheless creating a means by which community members can raise issues when

- a. they feel constrained by the village grievance mechanism for social or other reasons;
- b. the issue falls outside the remit of the village jurisdiction, which tends to be restricted to work packages;
- c. villagers need more information in order to resolve the issue themselves.

KFCP will need to design the most appropriate way to create this channel under local circumstances. One possibility is for the Village Facilitator to hold a monthly “open house” session where anyone can drop in at any time. The timing needs to be arranged to be convenient to all groups, especially women. The opportunity also needs to be given for individuals or small groups to make their comments in private if necessary, and for this reason in some places this type of mechanism is referred to as a “surgery”.

Special mention is made of this **feedback mechanism** because **if this is working well, it eliminates the need for an exhaustive collection of detailed indicators for every conceivable safeguard**. Ensuring that there is a mechanism that will pick up when things go wrong means that regular reporting can be confined to a manageable number of key indicators.

The following is a suggested list of this additional information (extracted from Annex IV)¹⁵. Again, this is illustrative only, to demonstrate the range of data that could be collected to provide evidence to support safeguard compliance.

#	Other village level Safeguards Indicators	Means of data collection
Land Rights safeguard		
1	Maps which can be easily understood are displayed with detailed status of all land being used for the project	Observation
2	Minutes of MUSDES giving explicit consent to activities taking place on community land	MUSDES records
3	Written approval from the owner of private land to be used for REDD+ pilot activities	KFCP records
4	Legal documentation in place to protect community tenure of land	KFCP records
Participation safeguard		
5	KFCP information materials is displayed on Village notice board and other public places	Observation

¹⁵ Note that no additional informational information should be required on the **integrity** safeguard, as this is dealt with by verification of the TP financial records; or the **livelihoods, environment** and **biodiversity** safeguards, which are a higher level KFCP responsibility.

6	Minutes of meeting that describes: (a) the benefits & risks of REDD+ pilot program, (b) feedback and (c) consent from the residents, especially marginalized and vulnerable groups, prior to implementation of activities.	Community Engagement Team member records
7	Election process for TP/TPK is reported to be free and fair	Observation
8	Women elect representatives to represent their interests at MUSDES and other decision making instances	Observation
9	Oral feedback given to women's groups outside meeting	Observation and focus group discussion
Grievance safeguard		
10	Village Facilitator holds and reports on periodic "open house" sessions in the village (feedback mechanism)	CE Team member records
11	Time taken to provide an initial response to grievances	CE Team member records
Equity safeguard		
12	Written notice accessible to all community members regarding use of income from KFCP	Observation
Gender safeguard		
13	Number of women in leadership positions for community initiatives	Observation
14	Percentage of women participating in MUSDES	MUSDES records

In a fully participatory process, different stakeholders would define what village indicators they think are appropriate for each safeguard. This may initially result in a much longer list to satisfy everyone's expectations, but it should also be possible to agree a shorter list of key indicators that is more manageable. Reaching consensus on this list is in itself a time-consuming process. In the meantime, it is suggested that a checklist similar to the one above be used as an interim baseline for collecting safeguard data. This can form the basis of a series of consultations with villagers and other stakeholders to ascertain:

- how well is KFCP doing on safeguards?
- how does the information collected compare to the opinions and perceptions of stakeholders?
- what different information would they suggest is useful to collect (and what information to discard)?

There will inevitably be a process of trial & error during a transition period. Eventually a satisfactory compromise between how much information is required and the effort of collecting it will be achieved.

4.4 Level 3: Beyond village level safeguards

Some of the safeguards can only be fully addressed by actions above the level of the village. Project management has to take responsibility for these and they cannot be assigned simply to the Payment Management or Community Engagement teams. These include:

- a) Setting up channels for feedback and complaints that allow all stakeholders to express themselves freely about the project. (This is different and additional to the village-level grievance procedure already included in the Village Agreements, and the “open house” recommended above). One recommendation would be to hold regular open public dialogue meetings for all stakeholders, perhaps three-monthly. Another would be a publicised dedicated telephone number for registering complaints.
- b) Including the issue of safeguards in village consultations and information dissemination in all teams, to create a wider understanding of the need for safeguards and avoid misconceptions. Lack of adequate information that is understood by communities is a breeding ground for mistrust and is the surest way of undermining the safeguards.
- c) Capacity building of institutions at different levels on their role in promoting and respecting safeguards, including village institutions. It is important for the sustainability of safeguard actions that they are seen as a responsibility of all actors, not just KFCP. This implies giving advance thought to how safeguards will be guaranteed after KFCP phases out. The fact that the Provincial process for developing REDD+ safeguards systems is not very advanced in Central Kalimantan provides an excellent opportunity for KFCP to contribute actively at this stage. KFCP is too important an initiative for it to be a passive observer of the emerging national, provincial and district policy infrastructure of REDD+.
- d) Engaging with Government on their role on forest protection, since the achievement of reduced emissions at a landscape level requires actions above the level of the village. This includes clarification of land rights, and actions such as forest patrols to control of deforestation activities by outsiders. KFCP needs to demonstrate that it sees itself as part of an overall solution to deforestation, rather than “imposing” “false solutions” (using language from its critics) on a few villages.
- e) Ensuring that livelihoods, social and governance safeguards are covered in the project M&E, as these are critical to the ultimate project objective of demonstrating the viability of REDD+.

Below is a list of potential indicators of project processes managed centrally by KFCP that contribute towards safeguards compliance (extracted from Annex IV).

Project Process Safeguards Indicators	
Land Rights safeguard	
1	Engagement with district land authorities to clarify ambiguous land tenure
Participation safeguard	
2	Information materials explaining KFCP in simple terms and local language are available
3	Mechanism in place for all stakeholders to request and receive additional information
4	Simple written notice regarding work packages and performance/safeguards indicators

	made available
5	Participatory evaluation of TP/TPK performance in each village
Grievance safeguard	
6	KFCP holds and reports on periodic public dialogue sessions
7	Public access telephone number on all KFCP publicity materials
Integrity safeguard	
8	Project audit procedures
Equity safeguard	
9	KFCP publicises clear criteria for who is entitled to expect what benefits as a result of project activities
10	Monitoring of livelihoods component
Livelihoods safeguard	
11	Project M&E of the livelihoods component using wealth and gender disaggregated data
Gender safeguard	
12	Livelihoods team activity plans target women
Environment safeguard	
13	Field reports on environmental disruption
14	Field reports on rehabilitation & restoration
15	Tata water quality monitoring
Biodiversity safeguard	
16	Species mix of seedlings provided for replanting
17	Area of natural forest cover over time
18	periodic biodiversity surveys

4.5 Putting it all together

Annex IV is a synthesis of the principles and criteria, and offers a menu of indicators that are applicable to the three categories: level 1: safeguards for payments; level 2: other village-level safeguards; and level 3: project-level processes.

The overall matrix looks daunting at first sight but in practice it can be broken down into manageable chunks. Level 1 consists of only 12 simple indicators to be collected by the TP that can be used as conditions

for village payments. Level 2 indicators, currently 14 in number, are the responsibility of KFCP field staff and most of them can be collected periodically by simple means. Between them these indicators offer a starting point for a consultation process to develop a set of indicators that are fully understood and valued by village members.

Level 3 indicators are essentially good project management and technical practices that create the organisational environment for the safeguards to be effective. Paramount among these is for KFCP management to institute regular multi-stakeholder consultations so that KFCP performance on safeguards can be shared. These events must be expertly facilitated to ensure they become neither on the one hand an opportunity for unsubstantiated complaints and polemic criticism, nor on the other hand simply a stage-managed public relations exercise.

4.6 Moving ahead with the framework

In order to finalise the framework, the next steps are:

- e. KFCP management and staff to review the suggested indicators, particularly at levels 1 & 2, and agree whether they are acceptable as a starting point for a wider participatory process
- f. If not, modify as necessary. Once finalised, develop checklists for village facilitators to use to monitor safeguards compliance.
- g. After an initial round of data collection, convene consultation meetings with villagers and other stakeholders to report back on initial findings, solicit feedback, and refine the system.
- h. In consultation with the M&E team, integrate the indicators and data requirements into the project M&E system.

4.7 Reporting safeguards performance

Compliance with REDD+ safeguards does not entail exposing the project to a straightforward pass/fail judgement. It is a process of learning and improvement. A high profile REDD+ pilot project like KFCP can make a valuable contribution to learning about how REDD+ works in practice by investing in a workable system of safeguards which meets technical standards, involves stakeholders, and uses resources efficiently.

KFCP should produce a safeguards compliance report once a year, for external circulation to all interested stakeholders. This would report against the principles and criteria, as well as giving a record of grievances received and how these have been addressed. This report can be incorporated into other regular reporting to stakeholders if this does not delay publication or constrain the level of detail that is made public. Timely and transparent reporting on social and environmental safeguards will inspire confidence in KFCP.

Throughout the year data will be collected by field staff to feed into this report. The Payments Team will record safeguards compliance data for payments purposes in line with the time frame of the work packages, which could be every one or two months for the duration of that activity. The Community Engagement Team would collect and report on other village-level safeguards information, eventually every six months as a routine. This would allow potential areas of concern to be spotted early and give time for corrective action before the annual safeguards report is due. On the basis of the above data, a six-monthly interim safeguards report should be produced for internal use by KFCP in planning its future actions.

Meanwhile, the feedback procedure recommended under 4.4. (a), as well as the village level grievance, may raise safeguards issues outside these data collection cycles.

With the launch of the KFCTF, there may be some adjustment in the structure of the teams working under KFCP. Once the relationship between the teams has been agreed, it will be necessary to define more

precisely who will prepare which report and how it will be verified and reviewed. For the time being, the following schematic outline is offered as a basis for further discussion.

Report	How often	By whom	Audience	How the report is used
Payment related safeguards	Every 1-2 months during work packages	Leader of the Payment Management Team (Contract Manager?)	KFCTF and KFCP management	To establish areas where Community Engagement team needs to support TP & TPK in villages
Other Village level safeguards	Six monthly	Manager of Community Engagement Team	KFCP management	Plan KFCP actions to respond to safeguards issues
Process-level safeguards	Six monthly	Designated member KFCP management?	KFCP management	Plan KFCP actions to respond to safeguards issues
Feedback mechanism reports	(depending on frequency of grievances and complaints)	To be determined	KFCP management	To provide redress to complaints, and input to consolidated report
Consolidated safeguards report	Annually	To be determined	External stakeholders	To demonstrate transparency and public accountability

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LIST OF ANNEXES

ANNEX I: Terms of Reference for the consultancy

Scope of Services

Developing a Social and Environmental Safeguards Strategy and Framework for KFCP

A consultancy assignment to the Indonesia-Australia Forest Carbon Partnership supported by AusAID

1. Introduction

The Kalimantan Forests and Climate Partnership (KFCP) aims to demonstrate a credible, equitable, and effective approach to reducing greenhouse gas emissions from deforestation and forest degradation, including from the degradation of peatlands. Local communities are engaged as key partners of KFCP for two main reasons:

- Equity – so that those most directly affected by KFCP activities can participate in managing these activities and receive a fair share of the benefits
- Efficiency – because natural resource management is generally more efficient when managed by local communities.

With its strong emphasis on equity and rights, KFCP aims to ensure that all project interventions contribute to respecting, protecting and fulfilling rights and reducing poverty, and at the very least do no harm. In addressing this social dimension of REDD+, the project places particular emphasis on the interest and rights of indigenous peoples, women and other marginalised groups. Social safeguards are one way to ensure that this occurs. Social safeguards are usually expressed in the form of high level principles which are then specific in more detail through a number of criteria and indicators.

2. Background to this Assignment

The World Bank, with funds from AusAID, will set up the Kalimantan Forests and Climate Trust Fund (KFCTF) in 2012 to channel incentives for communities to engage in REDD+ compatible activities and livelihoods in the KFCP area. The KFCTF is considered an integral part of and will work in close collaboration with the KFCP, and will be considered a single operation from a safeguards perspective. In the development of a trust fund, a Regional Environmental and Social Assessment (RESA), including an Indigenous People's Plan (IPP), was commissioned and is now almost complete. The RESA and Indigenous people's plan are an important component of a project level safeguard system.

CARE is engaged in the Kalimantan Forest and Climate Partnership (KFCP) as a partner in strategic and operational planning, in field implementation and in a technical advisory capacity. CARE contributes to KFCP and the Indonesia Australia Forest Carbon Partnership (IAFCP) facility through the secondment of key staff full time to KFCP under the overall direction, supervision and leadership of the KFCP Coordinator. CARE also provides limited technical support to KFCP through monitoring visits, in addition to technical advice to support the commitment of KFCP management to the development and application of relevant standards. The World Bank proposes to engage CARE as an intermediary organization to execute payments from the KFCTF.

3. Objectives of this Assignment

The overall objective of the work is to develop and operationalise a safeguards strategy and framework for the KFCP, including building capacity of KFCP staff. This will help ensure compliance with all relevant policies on gender and social safeguards, child protection, and environmental protection as outlined in chapter 5 of the KFCP Design Document.

Although KFCP, the RESA and other project documentation refer to a number of safeguards in the form of high level principles as well as specific criteria, work still needs to be done to consolidate and operationalise these principles within the project, including defining how the safeguards are to be used, and how the information generated will be analysed and reported. The consultancy should also consider composed aspects for compliance with proposed national and provincial level REDD+ safeguards (i.e. PRISAI and REDD+ SES).

4. Scope of Work

The consultant shall support the IAFCP Forests and Climate Specialist and the KFCP Gender and Social Safeguards specialist to consolidate a project-level safeguards framework for KFCP and manuals for operation, as well as providing training on safeguards to key KFCP and IAFCP staff, including senior management.

In support of this assignment the Adviser will undertake the following tasks:

1. Conduct a desk review of available project documentation and reports, documentation of existing safeguards in KFCP, including in village agreements and the RESA, as well as recommendations on safeguards made in CARE monitoring trip reports.
2. Review relevant additional safeguards, including the REDD+ Social and Environmental Standards Initiative and emerging Indonesian national safeguard standards (PRISAI).
3. Consult with the World Bank's Kalimantan Forests and Climate Trust Fund team and the URS team responsible for the RESA to review the Kalimantan Forests and Climate Trust Fund Project Appraisal Document (PAD) and WB safeguards.
4. Consult with key IAFCP and KFCP staff and accompany them to the field to gain a clear understanding of the current situation and safeguard policies and procedures already in place (or in development) in KFCP.
5. Conduct a workshop for key KFCP staff and stakeholders to build shared knowledge of safeguards, consolidate understanding of safeguards and develop strategies for implementation.
6. Prepare a draft report, to be circulated to project management and partners for comment, containing recommendations to further develop and operationalize KFCP's safeguards strategy and framework.
7. Finalize report, based on comments from stakeholders above, including a draft work plan for completing the KFCP safeguards strategy and framework.

5. Duration and Schedule

The assignment will commence on or about 21 May 2012 and conclude on or before 30 August 2012. During this period, the consultant will spend up to 25 working days, roughly to be apportioned as follows

- Reviews of RESA and other standards: 4
- Consultation with World Bank, IAFCP, KFCP, and others: 6
- Field visits: 6
- Workshop (including preparation): 3
- Analysis and report writing: 6

6. Deliverables

The consultant shall complete a report of approx. 20 pages forming the basis of a consolidated project level safeguards framework and implementation strategy. It should include the following elements:

- b) An executive summary of not more than 3 pages.
- c) A factual summary of the activities conducted as part of the framework development
- d) Basis for a KFCP safeguards strategy framework, including:
 - high-level principles and then the key dimensions of these principles that the project intends to focus on (expressed as indicators or questions);
 - the processes and tools that the project will use to practically apply the safeguards such as the village agreements and associated social verification
 - how the information generated from the various forms of application of safeguards is checked for accuracy and reported, and how this information will be used to inform project management with a strong focus on project-facilitated processes that project staff and participants should/must ensure are met. The consultancy must result in field-based staff having the tools and system to be able to apply the safeguards, monitor and verify they are being adhered to and be able to prepare reports that can be used by senior officials in IAFCP.

A draft report will be written in the English language. Comments will be provided within seven working days, and the consultant shall finalise the report thereafter.

ANNEX II: Safeguards Implications of RESA

Text analysis of “Main Actions and Recommendations” from RESA document

Sustainability of KFCP activities considers canal blocking activities, reforestation activities, livelihoods and incentive programs, activities affecting the KFCP project, the timeframe for canal blocking and reforestation, further data collection and monitoring and evaluation, and handover arrangements.

RESA recommendation	Implication for safeguards content & other processes (numbering for the purpose of this table only)
Options to use outside (non-village) labour for canal blocking and reforestation activities should be carefully considered and planned with the local communities. While there is a limited timeframe to complete activities, the use of outside labour forces – excepting skilled workforces using heavy equipment for canal blocking – might be opposed to the concept of incentive payments for local communities.	<p>Conflict with local community:</p> <p>Loss of economic benefits in short-term:</p> <p>S.1 Conflict resolution & grievance mechanism</p> <p>S.2 Full & effective participation in project decisions</p> <p>Local environmental damage</p> <p>S.3 Local environmental safeguards</p>
Simplify tendering and work package requirements to further facilitate local community involvement (particularly relevant for canal blocking). For canal blocking, review the possibility of national contractors working with TPK.	<p>Elite capture of contract benefits:</p> <p>S.4 Transparent financial management by TP/TPK</p>
Provide ongoing technical support and supervision to TPK for the activities under the work packages. This includes the provision of detailed information and training so that TPK and communities can confidently self-manage activities in the longer term.	<p>P.1 Capacity building of TPK to respect safeguards</p>
Continue to strengthen the consultation and information dissemination program – at the village level through the KFCP community engagement team, with local technical experts, and with stakeholders such as NGOs and government. Staff turnover at government agencies may necessitate a periodic refresher program. This would include information about environmental issues and the intent of the KFCP program that relates specially to the local level, project progress, and local level outcomes of program activities.	<p>P.2 Including safeguards in village consultation and information dissemination</p>

<p>Baseline data for water quality should be collected prior to the placement of canal blocks. Air quality data has not yet been collected, but this is an objective of the KFCP program and is expected to occur.</p>	<p>Monitoring water quality</p> <p>S.3 Local environmental safeguards</p>
<p>Ensure that there is a strong program of monitoring and evaluation in place, in particular for alternative livelihoods programs and incentive payments, and alignment with Village Development Plans.</p>	<p>P.3 Strong M&E, covering livelihoods and governance safeguards</p>
<p>Timely delivery of alternative livelihoods programs and incentive payments is crucial to maintain community support, especially in the early stages of project implementation.</p>	<p>P.4 Timely performance & delivery – quality of implementation is itself a safeguard</p> <p>There is also in the text (p.128) “...inequities in the ... benefits received by different settlements ... are to be avoided at all costs. ...Issues of inequities of distribution of benefits within communities may also arise.” This implies an S.7 equitable distribution safeguard</p>
<p>Where possible, broaden the alternative livelihoods options and undertake trials to review the various options.</p>	<p>Developing a range of livelihoods options is a</p> <p>S.5 livelihood safeguard</p> <p>that contributes to safeguards against “leakage” and for permanence /sustainability</p>
<p>Policies that seek to have an impact on gender roles or marginalised groups need to be carefully Implemented and monitored. They should consider non-political/institutional means of improving livelihoods for marginalised groups through reducing labour burdens and improving access to livelihoods programs.</p>	<p>Gender impacts</p> <p>S.6 Introduce gender principle</p> <p>P.5 Gender considerations in livelihoods initiatives would also be part of S.5 and S.6</p>
<p>Collaboration with government (KPHL) related to forest patrols may be necessary, as timber extraction and burning may be conducted by people who are not party to the alternative livelihoods and incentive programs (i.e., people from outside the region who receive no alternatives or incentives from KFCP).</p>	<p>P.6 Engagement with Government on their role on forest protection – governance safeguard at level higher than village</p>
<p>The development of handover arrangements or a transition program needs to be commenced as soon as possible. This includes further consultation with government agencies and the World Bank, and dissemination of the handover plan for feedback. If KFCP outcomes are intended to have a long-term impact, a transition</p>	<p>P.7 Institutional capacity building at all levels to carry on safeguards implementation and monitoring</p>

project of 2–3 years is recommended in order to allow adequate time for the development of a successor institution.	
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Implementing institutions include BLH, KFCP, TP/TPK and KPHL. The recommendations relate to institutional capacity building that may be facilitated by KFCP, as part of facilitating understanding of KFCP and REDD+ objectives and general environmental and social management and monitoring.

The main recommendations are:

- KFCP should periodically provide information to key staff in BLH about the intent of KFCP and also provide a general understanding of broader REDD+ objectives. KFCP should work with BLH on implementing the environmental and social safeguards, including monitoring arrangements, and seek technical advice from BLH as needed. **P.7**
- KFCP should develop a life-of-facility budget that clearly reflects activities and components.
- KFCP should consider developing a position statement on the following:
 - Intended methods and ongoing programs for engaging with local stakeholders **P.8**. This would consider the World Bank's requirements for recognition of Indigenous stakeholders.
 - NOTE: Indigenous Peoples do not consider themselves to be stakeholders, but rather rights-holders, and KFCP would be wise to heed this in public documents.
 - developing a position statement on
 - Compensation payments **P.9**, including lines of accountability; and
 - Future funding sources (i.e., World Bank Trust Fund) and the potential viability of carbon markets, as well as proxy funding sources (i.e. World Bank Trust Fund).
- KFCP's monitoring and evaluation **P.3** plans should be structured to reflect the main components and activities of KFCP, and also need to consider the main aspects of the Indigenous Peoples' Plan.
- KFCP should develop an improved mechanism for the monitoring of consultation (refer to Public Consultation and Development Plan for details).
- KFCP should broaden the grievance mechanism beyond the village level **P.10** so that it has a clear process for recognising and responding to broader complaints and issues (e.g. those reported in the media). This process should be broadly publicised and communicated (in relevant formats and languages).
- KFCP should maintain a periodic socialisation program with various types of stakeholders **P.2 & P.8**.
- TP/TPK have received training from KFCP, but will likely need ongoing technical and management support from KFCP; working with local universities to deliver training to TP/TPK could also add value. This should be monitored by KFCP to ensure that the level of support is adequate (or identify whether it can be reduced).
- KFCP should continue to liaise with government about the development of KPHL to define key options, timing and involvement with KFCP initiatives.
- While KFCP may provide some support to KPHL during start-up, KPHL will need to be self-funded in the longer term. Avenues for funding may need to be explored further, if appropriate.
- KPHL could consider recruiting local staff (from the provincial and district level) to facilitate local ownership as well as support from central government.
- KPHL could consider partnerships with donors, NGOs or experts from local universities.
- If there is any intention for KPHL to co-manage certain KFCP initiatives as part of its program mandate and fully manage them once the KFCP program is completed, a staged and long-term handover plan needs to be developed (as noted above) with input from KPHL and local communities.

Other observations are issues beyond KFCP's scope of works and authority in influencing the peatland rehabilitation, conservation, and environmental management in the region. However, these may relate to broader activities in the region which will also influence cumulative impacts in the region.

The main recommendations relate to the application and maintenance of existing environmental regulations and laws, as well as coordination of all environmental rehabilitation and conservation programs within the region.

SYNTHESIS

Safeguards implied by RESA recommendations	Other processes to support safeguard implementation
S.1 Conflict resolution & grievance mechanism	P.1 Capacity building of TPK to respect safeguards
S.2 Full & effective participation in project decisions	P.2 Including safeguards in village consultation and information dissemination
S.3 Local environmental safeguards	P.3 Strong M&E, covering livelihoods and governance safeguards
S.4 Transparent financial management by TP/TPK	P.4 Timely performance & delivery – quality of implementation is itself a safeguard
S.5 livelihood safeguard	P.5 Gender considerations in livelihoods initiatives
S.6 Introduce a gender principle	P.6 Engagement with Government on their role on forest protection – governance safeguard at level higher than village
S.7 equitable distribution safeguard	P.7 Institutional capacity building at all levels to carry on safeguards implementation and monitoring, inc BLH
	P.8 Developing a position statement on engaging with local stakeholders, and maintain periodic socialisation programme
	P.9 Developing a position statement on Compensation payments
	P.10 Broaden the grievance mechanism beyond the village level

ANNEX III: Key Documents Reviewed

KFCP documents

Kalimantan Forests and Climate Partnership (KFCP), Design Document, 2009

Regional Environmental and Social Assessment, Kalimantan Forests and Climate Partnership (KFCP RESA), prepared by URS, March 2012

KFCP RESA Access Restriction Process Framework, August 2011

KFCP RESA Indigenous Peoples Plan, March 2012

Project Appraisal Document for Kalimantan Forests and Climate Trust Fund, April 2012

KFCP Environmental Management and Monitoring Plan – English version of UKL/UPL “Upaya pengelolaan lingkungan hidup dan pemantauan lingkungan lingkungan hidup”, February 2012

Other documents

CARE Australia and CARE International Monitoring Visit Report, March 2012

A very real and practical contribution? Lessons from KFCP, Erik Olbrei and Stephen Howes, Australian National University, March 2012

In the REDD+: Australia’s carbon offset project in Central Kalimantan, Friends of the Earth, December 2011

Preliminary Study on the Safeguards Policies of Bilateral Donors to REDD+ Programs in Indonesia, HuMa, 2010

“There's no reason Postponed: Portrait FPIC in REDD+ +
Demonstration Projects in Central Kalimantan and Central Sulawesi” google translation of “Tak Ada Alasan Ditunda: Potret FPIC dalam Proyek Demonstration Activities REDD+ di Kalimantan Tengah dan Sulawesi Tengah” HuMa, August 2011

Updates on REDD+ Developments in Indonesia, powerpoint presentation to Safeguards Information System Working Group, HuMa, March 2012

REDD+ Social and Environmental Standards, Version 2, February 2012

REDD+ Capacity Building Services Assessment, RECOFTC & UNREDD+, May 2012

KFCP internal working papers

Minimum Standards of Social Protection: Principles, Criteria and Selected Indicators for Social Verification, Initial draft 18 March, 2012.

Verifikasi Sosial – worksheets of village social verification process, 2012

Village Agreements, 2011

ANNEX IV: Menu of Possible Indicators of Safeguards Principles & Criteria

Safeguards principles & criteria	Menu of Indicators		
	Village payment indicators	Other village level indicators	Project process indicators
1. Rights to lands, territories and resources in the project area are recognized and respected			
1.1 KFCP establishes who has rights to what land, either by statutory or customary law	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Maps which can be easily understood are displayed with detailed status of all land being used for the project 	<ul style="list-style-type: none"> • Engagement with district land authorities to clarify ambiguous land tenure
1.2 Local community has given consent freely for all activities that have an impact on their rights to land and natural resources	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Minutes of MUSDES giving explicit consent to activities taking place on community land • Written approval from the owner of private land to be used for REDD+ pilot activities 	<ul style="list-style-type: none"> •
1.3 Communities have secured long-term land rights beyond the lifetime of the KFCP	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Legal documentation in place to protect community tenure of land 	<ul style="list-style-type: none"> •
2. All sections of the community participate fully and effectively in decisions that affect them			
2.1 Adequate information about KFCP is publicly available in a form that is accessible for the intended audience	<ul style="list-style-type: none"> • % of households attending MUSDES to discuss this work package • Village notice boards in place and key information stipulated in the 	<ul style="list-style-type: none"> • KFCP information materials is displayed on Village notice board and other public places • Minutes of meeting that describes: (a) 	<ul style="list-style-type: none"> • Information materials available explaining KFCP in simple terms and local language • Mechanism in place for all stakeholders to request and receive additional

	Village Agreement is on display	the benefits & risks of REDD+ pilot program, (b) feedback and (c) consent from the residents, especially marginalized and vulnerable groups, prior to implementation of activities.	information <ul style="list-style-type: none"> Simple written notice regarding work packages and performance/safeguards indicators made available
2.2 Decision making structures within KFCP are clearly defined, transparent and accountable	•	<ul style="list-style-type: none"> Election process for TP/TPK is free and fair 	<ul style="list-style-type: none"> Participatory evaluation of TP/TPK performance in each village
2.3 Community representatives enable inclusive decision making and effectively communicate relevant information from and to the people they represent	•	<ul style="list-style-type: none"> Women elect representatives to represent their interests at MUSDES and other decision making instances Oral feedback given to women's groups outside meeting 	•
3. Grievances related to the implementation of the project are addressed in a timely and just fashion			
3.1 Community members have access to ways of registering and resolving complaints and disputes related to implementation of the project	<ul style="list-style-type: none"> Existence of updated grievance book No. of recorded grievances regarding this package 		•
3.2 Alternative channels exist for people from both within and outside the community to make	•	<ul style="list-style-type: none"> Village Facilitator holds and reports on periodic "open house" sessions 	<ul style="list-style-type: none"> KFCP holds and reports on periodic public dialogue sessions

complaints or give feedback to KFCP		in the village	<ul style="list-style-type: none"> Public access telephone number on all KFCP publicity materials
3.3 KFCP regularly monitors grievances and uses the results to modify project activities	<ul style="list-style-type: none"> No. of unresolved grievances 	<ul style="list-style-type: none"> Time taken to provide an initial response to the grievance 	<ul style="list-style-type: none">
4. All finances made possible through the project are managed with integrity and transparency			
4.1 Records of income and expenditure of all community activities are publicly available in comprehensible form	<ul style="list-style-type: none"> Accounts produced by TPK/TP balance, are credible, and have supporting documentation 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
4.2 Mechanisms exist for monitoring and preventing financial irregularities as well as for taking action against those responsible	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Project audit procedures
4.3 Procurement processes are open and transparent	<ul style="list-style-type: none"> Procurement list publicly displayed 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
5. The benefits arising from the KFCP program are shared equitably among all relevant rights holders and stakeholders.			
5.1 Transparent mechanisms exist for benefits to be shared equitably.	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Written notice accessible to all community members regarding use of income from KFCP 	<ul style="list-style-type: none"> KFCP publicises clear criteria for who is entitled to expect what benefits as a result of project activities
5.2 KFCP activities deliver benefits to particularly marginalized or vulnerable groups within the community	<ul style="list-style-type: none"> Volume of payment made to women Volume of payments made to poor/ marginalised 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Monitoring of livelihoods component

	households ¹⁶		
6. KFCP activities improve the long-term livelihood security of men, women and children in affected communities			
6.1 KFCP generates increases long-term livelihood security of communities, with special attention to women and the most vulnerable people	•	•	•
6.2 KFCP takes appropriate action to avoid or mitigate any negative impact of its activities on the livelihoods of any group in the community	<ul style="list-style-type: none"> • TPK/TP declaration that children are not involved in KFCP activities that require heavy labour, long hours or deprivation from schooling 	•	<ul style="list-style-type: none"> • Project M&E of the livelihoods component using wealth and gender disaggregated data
7. Actions promoted by KFCP are gender-sensitive practices and empower women in the communities			
7.1 Work packages are designed to maximise the opportunities for employment and leadership for women	<ul style="list-style-type: none"> • % of workers who are women • Existence of list of tasks suitable for women (or better, not suitable) 	<ul style="list-style-type: none"> • Number of women in leadership positions for community initiatives 	•
7.2 Women as a group are effectively represented in decision making structures and processes	•	<ul style="list-style-type: none"> • %age of women participating in MUSDES • 	•
7.3 KFCP implements specific activities targeted for the benefit of women	•	•	<ul style="list-style-type: none"> • Livelihoods team activity plans
8. The local environment is not degraded as a result of practices arising from KFCP's activities			
8.1 Physical works are carried out in ways	<ul style="list-style-type: none"> • Evidence that timber is from 	•	<ul style="list-style-type: none"> • Field reports from technical

¹⁶ "Households" can be classified using the wealth ranking & household registration process currently under way in KFCP, where each household will have a unique identifier.

that minimise disruption to the environment	legal sources		implementation team
8.2 Actions are taken to rehabilitate disrupted environments and facilitate their restoration	•	•	• Field reports from technical implementation team
8.3 Environmental indicators are continually monitored over time	•	•	• Tata water quality monitoring
9. KFCP maintains and enhances local biodiversity			
9.1 KFCP interventions promote the use of native species	•	•	• Species mix of seedlings provided for replanting
9.2 KFCP does not lead to the conversion of natural forests to other uses	•	•	• Area of natural forest cover over time
9.3 KFCP assesses local biodiversity over time	•	•	• periodic biodiversity surveys

**Indonesia-Australia
Forest Carbon Partnership**

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