Dear Ambassador Traavik:

Re: Administration Agreement between the Ministry of Foreign Affairs of the Kingdom of Norway and the International Bank for Reconstruction and Development concerning the REDD+ Support Facility Multi-Donor Trust Fund (No. TF072106)

1. The International Bank for Reconstruction and Development (the “Bank”) acknowledges that the Norwegian Ministry of Foreign Affairs (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) agrees to provide the sum of one million six hundred fifty thousand United States Dollars (US$1,650,000), however not exceeding ten million five hundred thousand Norwegian Kroner (NOK10,500,000) (the “Contribution”) for the REDD+ Support Facility Multi-Donor Trust Fund, No. TF072106 (the “Trust Fund”) in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the “REDD+ Support Facility Trust Fund Description” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the “Standard Provisions” attached hereto as Annex 2 and “Governance” attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above (“Contribution Currency”) into such bank account designated by the Bank (each amount deposited hereinafter referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) promptly following countersignature of this Administration Agreement, seven hundred ten United States Dollars (USD710,000); and

   (B) at least every year thereafter, following submission by the Bank of the relevant payment request, which shall be not greater than the amount needed to support one year of forecast expenditures based on the relevant work plan approved by the Steering Committee.

4. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072106 (the REDD+ Support Facility Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a
copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party’s address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the “Bank Contact”):

Werner L. Kornexl
Senior Climate Change Specialist
EASIS
The World Bank
Indonesia Stock Exchange Building
Tower 2, 12th floor
Jl. Jenderal Sudirman Kav. 52-53
Jakarta, 12190, Indonesia
Tel: 62-21-5299-3243
Fax: 62-21-5299-3111
E-mail: wkornexl@worldbank.org

For the Donor (the “Donor Contact”):

Counselor for Climate and Forest
Currently: Mr. Per Kristian Roer
Royal Norwegian Embassy
Menara Rajawali Building, 20th Floor
Jakarta 12950
Tel: +62-21-2965-0000
Fax: +62-21-2965-0001
E-mail: emb.jakarta@mfa.no

6. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor’s applicable donor balance account with the Bank, unless otherwise agreed with the Bank.

7. Any transfer into the Trust Fund to be made under this Administration Agreement is subject to there being an appropriation by the Parliament of Norway for funds to make such transfer.

8. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund, such that if the speed of the implementation of the activities to be financed by the Trust Fund makes it necessary either to bring Installments forward or to delay them, the Installment schedule shall be amended as agreed by the Bank and the Donor.

9. All annexes hereto constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.
10. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Name: Rodrigo A. Chaves
Title: Country Director
Date: DEC 5, 2013

FOR THE MINISTRY OF FOREIGN AFFAIRS OF THE KINGDOM OF NORWAY

By: [Signature]
Name: Stig Traavik
Title: Ambassador
Date: 6.12.2013
ANNEX 1

REDD+ Support Facility Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objective of the Trust Fund is to support the government of the Republic of Indonesia in the implementation of REDD+ strategy of the Republic of Indonesia (the “REDD+ Strategy”) by providing technical support and analytical inputs to help make operational the Indonesian agencies and institutions in charge of the implementation of the REDD+ strategy, including the future Indonesian REDD+ agency (the “REDD+ Agency”) and the fund for REDD+ in Indonesia (“FREDDI”) by building the in-house capacity of the REDD+ Agency and FREDDI until they are fully staffed and functioning with the necessary financial, technical and management competencies.

2. Activities

The activities (which may be described as “components” of activities) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

(a) Provide technical support and capacity building to the government of the Republic of Indonesia for the set-up of FREDDI, its internal bodies, governance structure and management, and the external entities that will support FREDDI, including advice on a small grants facility, key operations for strategic windows, and safeguards.

(b) Provide technical assistance and capacity building for the implementation of the REDD+ Strategy at the subnational level including (i) technical support to subnational programs and business plan development in selected provinces, (ii) provision of technical assistance for the national government or local governments, as appropriate, to prepare a methodology, fund flow and suggested institutional arrangements for subnational REDD+ programs, (iii) provision of capacity building of selected provincial and district stakeholders, and support to the REDD+ strategies at the subnational level, and (iv) support for the design of performance-based payment operations for selected provinces.

(c) Provide analytical support and strategic planning including provision of technical assistance to leverage additional climate change resources and alignment of Bank’s managed climate change activities with FREDDI, support to FREDDI to develop a structure for grants, investments and payment on performance, provision of advice on carbon finance operations, and provision of analytical work for the REDD+ Agency, including work on a green development approach and advice on the integration of REDD+ in other national programs.

(d) Provide institutional and capacity building for REDD+ entities including the REDD+ Agency, FREDDI, its internal bodies, governance structure and management, and the external entities that will support FREDDI, national partner agencies and executing agencies, and provision of support for the establishment of a grievance redress mechanism for the REDD+ Agency.
2.2. Additional details on the intended scope of work, activities and results framework are included in the Attachment to this Administration Agreement. In case of inconsistencies between the Attachment to this Administration Agreement and the main text of this Administration Agreement, or Annexes, I, II, or III of this Administration Agreement, the referred main text of this Administration Agreement and its Annexes shall prevail. The content of the Attachment to this Administration Agreement can be amended, from time to time, by decision of the Steering Committee and agreement by the Bank.

3. Eligible Expenditures

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) associated overheads, (b) consultant fees individuals and firms, (c) contractual services, (d) equipment and office premises lease cost, (e) extended term consultants-no indirects, (f) extended term consultants, (g) field assignment benefits, (h) media, workshop, conference and meetings (including training), (i) staff costs with indirect costs, (j) staff costs no indirect costs, (k) temporary support staff costs, (l) temporary staff costs no indirects, and (m) travel expenses (including training).

4. Taxes

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.

5. Program Criteria

5.1 Activities are to be financed in accordance with the following program criteria: (i) they need to be aligned with the REDD+ Strategy, its implementation and the priorities of the government of the Republic of Indonesia, (ii) they need to be in line with the policies relevant to the Indonesian national REDD+ strategy, and offer a degree of improvement or acceleration to the existing mechanism, (iii) they need to contribute to the capacity or institutional building of the relevant stakeholders, (iv) they need to have a high degree of ownership, including a clearly identified counterpart and endorsement by the relevant government agency or institution.

6. Retroactive Financing

6.1 The Trust Fund funds may be used to retroactively finance payments for eligible expenditures made as of October 17, 2013 in accordance with the Bank’s applicable policies and procedures.
ANNEX 2

**Standard Provisions for the REDD Support Facility Multi-Donor Trust Fund**

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. **Administration of the Contributions**

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. **Management of the Contributions**

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollars (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds.
administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. Trust Fund Fees and Costs

3.1 The Bank shall deduct and retain for its own account, as a one-time deduction from the funds in the Trust Fund, an amount equal to and not greater than thirty-five thousand United States Dollars (US$35,000) as a set-up fee for the Trust Fund upon receipt of funds in the Trust Fund.

3.2 The Bank shall additionally deduct and retain for its own account, as a deduction from each Installment, an amount equal to five percent (5%) per Installment as an administrative fee for the Trust Fund.

3.3 Each Donor acknowledges and agrees that the percentage deductions for fees in this Trust Fund Fees and Costs section are estimated on the basis of anticipated Contributions. If actual Contributions significantly differ from what was originally anticipated at the time of signature of the first Administration Agreement, or if other circumstances affecting Trust Fund fees or costs change, the Bank reserves the right to request a change to the terms of this Trust Fund Fees and Costs section, which would be effectuated by amendments made to the Administration Agreements of all Donors and which would thereafter be applicable to all new Contributions that are provided either as amendments to supplement existing Administration Agreements or from new Donors under new Administration Agreements.

4. Accounting and Financial Reporting

4.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

4.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

4.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

4.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

5. Progress Reporting
5.1 The Bank shall provide the Donors with semi-annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

5.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

6. **Disbursement; Cancellation; Refund**

6.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2016 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

6.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the relevant Donor or Donors in the Holding Currency in the manner specified by each such Donor in its respective Administration Agreement the pro rata share(s) of any such uncommitted balance of the Trust Fund, in accordance with any additional terms that may be agreed between the Bank and each such Donor.

7. **Disclosure; Dispute Resolution**

7.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

7.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.
ANNEX 3

Governance

1. This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

The governance structure shall consist of the Bank as trustee of the Trust Fund, and a steering committee with functions and responsibilities as listed below.

2. Government-led steering committee ("Steering Committee")
   (a) The Steering Committee shall consist of representatives from the Republic of Indonesia, the Bank, and the Donors. The Steering Committee may decide to invite UNDP, other development partners, and/or other stakeholders to attend meetings of the Steering Committee as observers. The Steering Committee will be chaired by a representative from the Republic of Indonesia. The Steering Committee will act collectively and, to the extent practicably, shall make decisions by consensus. In the absence of a consensus, matters requiring a decision of the Steering Committee shall be decided according to such voting rules and procedures as the Steering Committee shall prescribe from time to time. The Steering Committee shall meet at least once a year and in such location as it shall decide. The Steering Committee shall establish its own operating rules and procedures.

   (b) The Steering Committee will be responsible for: i) reviewing overall Trust Fund strategies and policy priorities; ii) approving and amending, as necessary, the Attachment to this Administration Agreement and reviewing progress of the Trust Fund program implementation against the results-based framework contained in the Attachment to this Administration Agreement, as provided in the semi-annual reports; iii) providing policy and strategy recommendations; iv) approving annual work plans and activities and funding sources; and (v) reviewing recommendations of the annual independent assessment of the REDD+ Agency and FREDDI and making decisions on necessary actions, including restructuring the Trust Fund program, if necessary.
Intended Scope of Works and Activities and Results Framework

This section presents a brief description of the intended technical support to be provided to the Government of Indonesia through the REDD+ Support Facility.

I. Support for FREDDI set up and management:

A. Operationalization of Small Grants Facilities

Objective:
To assess the two potential small grant facility (SGF) management entities and PNPM Rural and assist the FREDDI authorities and the SGF to define a REDD program, assess and build capacity, prepare design and fund flow and finalize agreements with SGF managers to operate FREDDI’s small grants program.

Outputs:
1. Capacity and fiduciary assessment of two potential small grant facility management entities
2. Definition (objective and focus) of the small grants program
3. Capacity and structure in place to launch SGFs.
4. Assessment of how PNPM can be used for benefit sharing mechanism

B. Identification, assessment of key opportunities for the Strategic Window

Objective:
Support FREDDI in identifying and assessing the opportunities for operations to be funded under the Strategic Window, and supporting the processes for selection and preparation of background documents.

Outputs:
1. Identification and assessment of opportunities and best approaches for the Strategic Window to be discussed with FREDDI Secretariat.
2. An Assessment of performance based opportunities and mechanisms and associated international best practices, to be adopted by FREDDI.

C. Advisory on Principles, Criteria, and Indicators for REDD+ Safeguards in Indonesia (PRISAI) PRISAI:

Objective: Provide advice and professional support to the finalization and operationalization of FREDDI safeguards: PRISAI.

Outputs
1. Concrete Inputs on PRISAI operational framework and operational guidelines
2. Convene a consultation process between national approaches for REDD+ safeguards
3. Capacity Building for PRISAI team at REDD Agency
4. Analytical studies on issues related to PRISAI implementation, e.g. Assessment of land tenure situation, mapping of customary rights, regulatory assessment, etc.
D. Finalization of Governing Instruments and operations manual

Objective:
Finalize draft FREDDI Governing Instrument document as a base for Contribution Agreement between donors and the Government of Indonesia and develop an operations manual for FREDDI implementation

Outputs:
1. Advice on Governing Instrument document and other subsequent documents
2. Preparation of communication tools to discuss the governing arrangements with stakeholders
3. Operations Manual for FREDDI

E. Technical Support and Capacity Building for FREDDI Secretariat and Management

Objectives:
Help to efficiently manage the FREDDI Secretariat, assisting with hands-on international experience related to project approval, monitoring, strategic business planning and reporting processes and build the capacity of FREDDI staff at the same time;

Outputs:
1. Capacity gap assessment of FREDDI and tailor-made training in planning, management and operational procedures for staff at FRFDDI secretariat.
2. Technical training program for the staff of the organs of FREDDI (e.g., on safeguards or on monitoring and evaluation);
3. On the job training for Monitoring and Evaluation activities and management
4. Finalized Communication Strategy, Dissemination channels established, Information sharing on programs and activities supported by FREDDI both internally and externally.

II. Technical Assistance and Capacity Building for REDD+ Implementation at Sub-national Level

A. Support to Subnational Programs and Business Plan development based on the first Province

Objective:
To develop a methodology for identifying and selecting milestones and indicators for REDD+ implementation at District and Province level, and develop proposals for FREDDI engagement at Subnational level. These proposals would take into account the emerging Subnational REDD Action Plans and any existing requirements under the RAD-GRK.

Outputs:
1. Identification and selection of milestones and indicators for RFDD+ Readiness and associated REDD+ payments adapted to the context of East Kalimantan, and aggregate them into an operation to be financed by FREDDI;
2. Promote capacity building on the identified performance-based operation;
3. Extract and generalize the main elements of the approach, validate the approach and propose a replication strategy to other provinces
4. Demonstrate and measure how payments for performance could work, based on the concrete example of East Kalimantan
5. Develop inputs on subnational engagement for the Business Plan of FREDDI
B. Support Subnational Programs in other Provinces

**Objective:** Support the implementation of PSAP for REDD+ in three or more provinces, Jambi, Central Kalimantan and Aceh in the first year, building on the experience from East Kalimantan. In the subsequent years, other provinces will qualify and will be prepared.

**Outputs:**
1. Programs for necessary changes in policy and actions for forest and land governance at Kabupaten and provincial level have been identified and developed.
2. Boundaries of authorities for each jurisdictional level have been clarified and discussed
3. Potential compensation mechanisms based on performance indicators and milestones (policies and actions) have been established, aligned with PSAP REDD+ in each Province.
4. Fund flow, management and coordination of operations have been agreed
5. Strategy and Action Plan for communication, stakeholder engagement and capacity building needs have been identified
6. Strategic Environmental Assessment supported at district level, building on available local expertise and programs supported by other development partners, including GIZ, DANIDA, and CIDA.
7. Technical assistance has been provided in partnership with partner organizations.

III. Strategic Planning and Analytical Support

A. Leverage additional climate resources and align World bank managed activities with FREDDI

**Objective:**
Create links and/or integrate parallel funding opportunities with FREDDI to increase effectiveness of FREDDI and diversify engagements.

**Output:**
Full alignment of global climate funds with FREDDI and REDD+ Agency objectives, additional funds (where possible) integrated into FREDDI and potential cross funding explored. Programs to be aligned with FREDDI or explored for leveraging funding opportunities include: FCPF Carbon Fund; Bio Carbon Fund; Green Development Support Facility; and PNPM Rural. The World Bank will cooperate with FREDDI and other stakeholders to align emerging programs with the REDD+ Strategy and FREDDI objectives in the early design phase for emerging programs. Potential specific outputs include:
1. FCPF Carbon Fund ER Program is under way and aligned with FREDDI objectives
2. Bio-Carbon Fund program has been designed and support District wide program in close cooperation with FREDDI
3. Alignment of policy support on green development planning and budgeting to BAPPENAS and Ministry of Finance with the objectives of mainstreaming the REDD+ Strategy
4. Alignment of subnational work on SRAPs with broader green development planning principles in the pilot provinces selected through the Green Development Support Facility
5. Alignment of World Bank’s advisory on the next National Medium-Term Development Plan (RPJMN) with the REDD+ Strategy and FREDDI framework, modeling of development options within the broader context of the RPJMN
6. Co-funding possibilities and other areas of cooperation explored with emerging and existing programs including Indigenous Peoples and Rural Communities Program; FIP-funded FMU project; DANIDA funded FIP program to support the FMU project; PNPM Rural and/or PNPM Green; and potential mechanisms for benefit sharing.

B. Support on development of FREDDI structure and design beyond grants

Objective: Provide support to FREDDI on strategic options for fund development and design in the future, including modality 2 (Investments) and modality 3 (payment for performance)

Outputs:
1. Option paper for design features for an investment phase, including design, fund flow, potential investment sources and strategic outputs
2. Options for a performance based phase, including methodological assessment and fund flow, based on available MRV capacity, legal restrictions and potential market requirements, verification and reporting procedures (including issues related to conflict of interest and transparency).

C. Overall technical support to REDD+ Readiness

Objective:
Support the REDD+ Agency and FREDDI in ensuring Indonesia complies with emerging international frameworks for REDD+ Readiness, such as with the FCPF R-Package Assessment Framework and with the FCPF Carbon Fund Methodological Framework. Issues to be dealt with here could range from the establishment of a national registry for REDD+ to benefit sharing rules and procedures.

Outputs:
1. Gap assessment of technical Capacity needs for supporting REDD+ Readiness
2. Capacity building events to deliver on priorities identified.
3. Plans developed for Indonesian compliance with appropriate international frameworks and principles for benefit sharing.

D. Advise on Carbon Finance and Carbon and Non-Carbon Asset creation and recognition

The World Bank has an extensive Carbon Finance and performance finance knowledge in-house, based on more than 10 years of international climate funding experience and based on a number of output based instruments and performance based instruments tested and mainstreamed in several sectors worldwide. This support will include Carbon and Non-Carbon Asset creation and recognition, both within Indonesia through the assessment of potential creation of domestic offset markets, and internationally by assessing how to link Indonesia to emerging bilateral and multi-lateral markets and funding opportunities. As FREDDI moves into performance based operations, it can take advantage on this knowledge.

Objective.
To support the development of adequate performance based payment options for FREDDI recognizing Carbon and Non-Carbon assets. This support would be provided through the World Bank’s international experience and expertise on Carbon finance, e.g. South-South Exchange program.
Output:
Developments of options and methodologies for performance based programs and practical options on how to approach Carbon and Non-Carbon asset creation and recognition. Options paper on the creation of a domestic offset market and links to REDD+. Advise on emerging international markets and funding instruments.

E. Analytical Work for REDD+ Agency:

Objective:
To conduct the upstream analytical work to effectively implement the pipeline activities (e.g., policy reviews, legal reviews, ideas for mainstreaming REDD+ Strategy into national agenda (e.g., national and subnational action plan for emission reductions, RAD-GRK, subnational REDD+ Strategies, etc.), fiscal and revenue assessment reviews, institutional assessments, concession licensing reviews, spatial planning, political economy and governance assessments, green development approach, etc.

Output:
Policy notes, working papers and Assessment Reports prepared, discussed and (if requested) disseminated.

IV. Institutional and Capacity Building for REDD+ Entities

The RSF will support capacity building and institutional development for the REDD+ Institutions, including Agency, organs of FREDDI, national partner agencies and executing agencies based on technical needs assessments and client requests. To carry out the needs assessment, the RSF will draw on the final terms of reference for organs of FREDDI and the mandate of REDD+ Agency. Draft terms of reference for some FREDDI organs have been prepared, but the final design needs to be approved by the REDD+ Agency and the Board of Trustees for FREDDI once these are established.

A. Support to REDD+ Agency (mainly REDD+ Strategy Implementation):

Objective:
Continue the support to the discussion, dissemination and integration of the REDD+ Strategy and Action Plans into the REDD+ Agency and local REDD+ agencies

Output:
REDD+ Strategy finalized, disseminated, and integrated into REDD+ Agency work plans, and well understood by Line Ministries and subnational Governments

B. Support to National Partner Agencies and Executing Agencies through “accreditation” or capacity assessment, recognition process and orientation:

Objective:
To provide orientation and build capacity of national institutions for the implementation of FREDDI projects and programs, by working closely together with the FREDDI Secretariat and a selected organization which will conduct the accreditation process.

Outputs:
1. Assist the FREDDI Secretariat in the selection and assessment of an institution that will conduct accreditation process
2. Advise provided to the Accreditation or capacity assessment and/or Registration program set up
3. An initial group of EAs and/or PAs accredited and capacity built to carry out their functions under FREDDI

C. Support for Grievance Redress Mechanism

Objective:
Provide advice on international best practices in designing grievance redress mechanisms with the objective that the REDD+ Agency establishes appropriate grievance mechanisms

Output:
1. International best practice and lessons learned provided and documented
2. Advice on appropriate grievance mechanism for FREDDI provided

D. Support to FREDDI Trusteeship and Committees establishment

Objective:
To assist the Government in conducting the selection process of a national Trustee and provide guidance and technical assistance to the selected Trustee as needed and to assist the FREDDI Secretariat in the establishment of the Safeguard Committee and the Investment and Disbursement Committee.

Output:
1. Guidance on selection process of the National Trustee
2. Capacity building program developed and presented to the Board of Trustees
3. Assistance provided – as needed – to the national Trustee
4. TORs for the Safeguard and Investment committee prepared
5. Secretariat in the selection process of individuals supported and technical assistance provided during the initial assessment process.

RSF Results-based Framework

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<th>Intervention logic</th>
<th>Indicators</th>
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<td>The objective of the RSF is to support the Government of Indonesia in the implementation of its REDD+ Strategy by providing technical support and analytical input to operationalize the REDD+ Agency and FREDDI during their transitional and early operational phases so that they can fully deliver on their mandates.</td>
<td>REDD+ Agency is implementing its annual work plans as agreed at the beginning of each year. FREDDI is operational, efficiently processing proposals targeted at its four funding windows and disbursing resources to Executing Agencies. FREDDI design beyond grant phase has been discussed and agreed Subnational entities are aware of their roles and responsibilities and incentive structures are set up</td>
<td>Progress reports from REDD+ Agency and FREDDI and Annual capacity assessment.</td>
<td>GoI makes staff to REDD+ Agency and FREDDI available REDD+ Agency and FREDDI management prepare annual programs every year</td>
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<td>Expected outcomes</td>
<td>Progress reports</td>
<td>Task Force finalizes</td>
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<td>The financial and capacity needs of the REDD+ Agency and FREDDI are bridged until they are fully staffed and have the necessary financial, technical and management competencies</td>
<td>Essential management, technical, administrative, and financial functions are performed during initial period after establishment of REDD+ Agency and FREDDI</td>
<td>a detailed list of priority activities prior to the establishment of the Agency and FREDDI</td>
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<td>In-house capacity of the REDD+ Agency and FREDDI is built and strengthened. All FREDDI institutions are set up</td>
<td>Number of staff from REDD+ Agency and FREDDI trained on different subjects (fiduciary, safeguards, technical, M&amp;E)</td>
<td>Progress reports from REDD+ Agency and FREDDI: RSF activity report: capacity needs assessment</td>
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<td>FREDDI’s four funding windows are operational, with timely funding allocations and disbursements being made, systematically following the FREDDI Operation Manual and Standard Operational Procedures (SOPs)</td>
<td>Rules and procedures for all four windows are finalized and communicated to stakeholders;</td>
<td>Progress reports from REDD+ Agency and FREDDI: RSF activity report</td>
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<td>Decision making by the REDD+ Agency and FREDDI is in line with international best practice and are based on inputs from strategic and analytical services provided by the RSF; and FREDDI is linked with other CC funding sources</td>
<td>Number of analytical studies carried out by the RSF; Number of project concept notes prepared that draw on analytical studies prepared by RSF</td>
<td>SOP have been identified and clearly communicated to staff</td>
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<td>Capacity of subnational entities to implement REDD+ Strategies in line with international best practice is strengthened</td>
<td>Number of Districts and Provinces participated in capacity building activities (strategic planning workshops, trainings)</td>
<td>Progress reports from REDD+ Agency and FREDDI: RSF activity report</td>
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<td>% of provinces and districts implementing Subnational strategies that follow international best practice</td>
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<td>Number of training activities held at subnational level</td>
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