

Public Disclosure Authorized

# OFFICIAL DOCUMENTS

SCF-FIP GRANT NUMBER TF0A4242

*Strategic Climate Fund*  
*Forest Investment Program*  
**Grant Agreement**

**(Strengthening Rights and Economies of *Adat* and Local Communities Project)**

between

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**  
**acting as Implementing Entity of the Forest Investment Program**  
**under the Strategic Climate Fund**

and

**SAMDHANA INSTITUTE INDONESIA**

**March 27, 2017**

Public Disclosure Authorized

**SCF-FIP GRANT NUMBER TF0A4242****STRATEGIC CLIMATE FUND - FOREST INVESTMENT PROGRAM  
GRANT AGREEMENT**

AGREEMENT dated March 27, 2017 entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as Implementing Entity of the Forest Investment Program under the Strategic Climate Fund and SAMDHANA INSTITUTE INDONESIA, acting as the National Executing Agency of the Dedicated Grant Mechanism (DGM) (“Recipient”).

WHEREAS the Republic of Indonesia (“Indonesia” or “Member Country”), on December 5, 2016 has endorsed the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in Indonesia and said endorsement has been granted in accordance with the provisions of the DGM Framework Operational Guidelines approved by the FIP Subcommittee on October 31, 2011, and endorsed by the IPLC representatives in October 2011.

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient, in close collaboration with the National Steering Committee (the “NSC”), shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed six million three hundred twenty-five thousand United States Dollars (\$6,325,000) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund (“Donors”). In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV  
Effectiveness; Termination**

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Recipient has prepared and adopted the Project Operations Manual, in form and substance satisfactory to the World Bank.
- 4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement (the Effectiveness Deadline), unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V  
Recipient’s Representative; Addresses**

- 5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.
- 5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Samdhana Institute Indonesia  
Jl. Guntur No. 32  
Bogor 16128  
West Java - Indonesia

Facsimile:  
(62) 251 – 831 3947

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

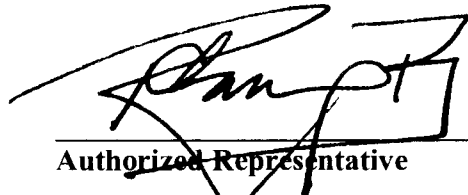
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Facsimile:  
1-202-477-6391

AGREED at Jakarta, Republic of Indonesia, as of the day and year first above written.

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**  
acting as Implementing Entity of the Forest Investment  
Program under the Strategic Climate Fund

By



Authorized Representative

Name: Rodrigo a. Cruz

Title: Country Director

**SAMDHANA INSTITUTE INDONESIA**

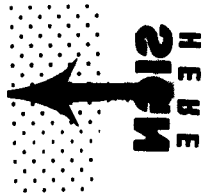
By



Authorized Representative

Name: Suwaga A. Afiff

Title: Chairperson, Board



**Part 3: Project Management, Monitoring and Evaluation, and Institutional Development**

Carrying out a program of activities to manage and supervise the Project including: (a) Project administration and reporting (including to FIP and DGM); (b) supporting Project implementation arrangements; (c) supporting Subgrantees in building their capacity to design and implement Subprojects; (d) monitoring and evaluation; and (e) designing and implementing a communication strategy.

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve the capacity of participating Indigenous Peoples and Local Communities (IPLCs) to engage in tenure security processes and livelihood opportunities from sustainable management of forests and land.

The Project consists of the following components:

#### **Part 1: Subgrants to Strengthen IPLC Capacity to Enhance Tenure Security and Improve Livelihoods**

Provision of Subgrants to selected Subgrantees to support IPLCs to pursue: (a) clarity and security over their rights to land (including forest land) in rural areas; and (b) improved livelihoods, including:

1.1. *Community Outreach and Mobilization:* (a) raising awareness of IPLCs, NGOs, CBOs, CSOs and other relevant stakeholders on the Project scope; (b) supporting IPLCs to have the necessary information on opportunities and requirements for tenure security and improving their livelihoods; and (c) build capacity among Subgrantees for Subgrant management.

1.2. *Strengthen IPLC's Capacity to Enhance Land Tenure Security:* supporting ongoing efforts of IPLCs for tenure security, primarily by strengthening their applications for tenure security.

1.3. *Build IPLC Capacity to Improve Livelihoods:* (a) building the capacity of local facilitators to assist IPLCs to develop community investment plans, and prioritize elements related to the scope of the DGM in said plan; and (b) financing eligible and priority livelihood activities identified in the said plan and that are widely accepted to contribute to sustainable management of forests and land.

#### **Part 2: Inform Policy Processes and Dialogue**

Carrying out a program of activities to strengthen the capacity of the NSC and emerging IPLC leaders to: (a) engage in policy processes related to REDD+, forest resource management, secure land tenure and improving IPLCs' livelihoods; (b) bring evidence from the activities supported by the DGM into the various dialogue processes; and (c) promote greater coordination among various IPLC initiatives that have similar objectives, including:

2.1. *Strengthen Capacity of NSC and Emerging IPLC Leaders:* building the capacity of emerging IPLC leaders and NSC members to effectively share evidence and IPLC perspectives on the issues addressed by DGM, and to raise funds for addressing key IPLC issues.

2.2. *Identify and Support Strategic Engagement in Policy Processes and Dialogues:* Provisions of support to: (a) identify strategic policy processes and dialogues in which IPLC representatives identified under this Project would engage; and (b) conduct planning that assists IPLC representatives to determine how to strategically engage in specific processes.

**D. Grievance Redress Mechanism**

The Recipient shall, (a) not later than four (4) months after the Effective Date, develop, in form and substance acceptable to the World Bank and following the guidelines set forth in the Project Operations Manual, a grievance redress mechanism that encompass transparent, timely and fair procedures, for the purposes of ensuring that all complaints received from IPLCs and other interested stakeholders related to any activity under the Project, including grievances related to a Subgrant award decision, representation in the NSC, or the governance of the program, are properly and timely addressed; and (b) report to the World Bank the status of grievance redress mechanism as part of the Project report referred to in Section II.B. of this Schedule 2 in form and substance acceptable to the World Bank and following the guidelines set forth in the Project Operations Manual.

**E. Annual Work Plans and Budget**

1. The Recipient shall, throughout Project implementation, furnish to the World Bank for approval as soon as available, but in any case not later than the first quarter of each year, an annual work plan and budget for the Project for each subsequent fiscal year, of such scope and detail as the World Bank shall have reasonably requested, except for the annual work plan and budget for the first fiscal year which shall be furnished prior to the commencement of any activities under the Project.
2. The Recipient shall, no later than two (2) months after furnishing each annual work plan and budget referred to in the preceding paragraph to the World Bank, finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such plan and budget as agreed in writing with the World Bank.

**F. Subprojects**

1. For the purposes of carrying out Part 1 of the Project, the Recipient shall:
  - (a) after the selection by NSC of a Subproject in accordance with the guidelines and procedures set forth in the Project Operations Manual, enter into an agreement with selected Subgrantees ("Subproject Agreement"), under terms and conditions approved by the World Bank and included in the Project Operations Manual, for the provision of Subgrants for the implementation of said Subproject;
  - (b) ensure that each Subproject Agreement is prepared in form and substance satisfactory to the World Bank and included in the Project Operations Manual, in which the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of the Subgrantees to use the proceeds of the Subgrant, or obtain a refund of all or any part of the amount of the Subgrant then withdrawn, upon the Subgrantees' failure to perform any of its obligations under the Subproject Agreement; and (ii) require each Subgrantee to: (A) carry out its pertinent Subproject with due diligence and efficiency and in accordance with sound technical, economic, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient, and the Safeguards Instruments; (B) provide, promptly as needed, the resources required for the carrying out of the Subproject; (C) procure the goods, works, Non-consulting Services and consultants' services to be financed out of the Subgrant

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements

1. The Recipient shall carry out all activities under the Project in accordance with, *inter alia*, the guidelines set forth in the DGM Framework Operational Guidelines, the Project Operations Manual and the Safeguards Instruments.
2. The Recipient shall, for the duration of Project implementation, closely collaborate with the National Steering Committee which, in accordance with the DGM Framework Operational Guidelines, oversees Project implementation, including *inter alia*: (a) decides, jointly with the Recipient, on the annual work plans, eligibility criteria and funding of Subprojects; (b) works in partnership with CSOs and CBOs, acting as a bridge between community groups and the Recipient; (c) reviews and makes funding decisions on eligible Subproject proposals; (d) provides oversight of Project and Subproject implementation; and (e) reviews monitoring and evaluation reporting under the Project and Subprojects. The Recipient, acting as the National Executing Agency serves as the secretariat of the NSC.
3. The Recipient shall, by no later than four (4) months after the Effective Date, establish and thereafter maintain a Project Management Unit (“PMU”) throughout the implementation of the Project, under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers, with qualifications, experience and under terms of reference acceptable to the World Bank.
4. Without limitations to the generality of the forgoing provisions in paragraphs A.1 and A.2 above, the PMU shall be responsible for implementation and coordination of the Project, including: (a) procurement, disbursement and fiduciary arrangements; (b) preparation and implementation of all the Safeguards Instruments and necessary capacity building and technical assistance; (c) grievance redress mechanisms; (d) public awareness and communications; (e) overall quality assurance; (f) monitoring and evaluation; and (g) consolidated Project reporting requirements, all in collaboration with NSC.

##### B. Project Operations Manual

1. The Recipient shall carry out the Project in accordance with the Project Operations Manual satisfactory to the World Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the following: (a) the detailed description of Project implementation activities and the detailed institutional arrangements of the Project; (b) eligibility criteria for funding of Subprojects, including the Negative List, in accordance with the criteria established by the DGM Framework Operational Guidelines and Environmental and Social Management Framework (ESMF); (c) institutional roles and responsibilities of the Recipient, PMU, and NSC under the Project; (d) guidelines for the operationalization of the ESMF and for the preparation of the Environmental Management Plans (“ESMP”) and Environmental Code of Practice in accordance with the ESMF; (e) the Project administrative, accounting, auditing, reporting, financial, procurement and disbursement procedures; and (f) the monitoring indicators for the Project.



2. In the event that any provision of the Project Operations Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.

**C. Safeguards**

1. The Recipient shall ensure that the Project, including Subprojects, is carried out in accordance with the provisions of the Safeguards Instruments, and provide the necessary capacity building, technical assistance and oversight to the Subgrantees for the implementation of environmental and social safeguards measures under the Subprojects.
2. If any activities under the Project, would, pursuant to the ESMF, require the preparation of an ESMP, the Recipient shall ensure that no such activities shall be implemented unless and until such ESMP is prepared in accordance with the ESMF and furnished to the World Bank for review and approved by the World Bank, and is disclosed as required by the ESMF.
3. The Recipient shall ensure that: (a) the Project shall not involve activities that result in the involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof; and (b) no part of the Grant shall be used to finance the purchase of land or any land-related compensation.
4. The Recipient shall ensure that:
  - (a) all terms of reference for any technical assistance or studies carried out under the Project are consistent with the World Bank's environmental and social safeguards policies and requirements then in place; and
  - (b) in drafting any regulations, guidelines or corporate procedures and carrying out capacity building activities under the Project, due attention is given to said policies and requirements.
5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the World Bank, as part of each Project Report, and promptly in a separate report whenever the circumstances warrant, information on the status of compliance with the Safeguards Instruments, providing details of:
  - (i) measures taken in furtherance of such Safeguards Instruments;
  - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Instruments; and
  - (iii) remedial measures taken or required to be taken to address such conditions.
6. The Recipient shall afford the World Bank a reasonable opportunity to review the reports prepared under paragraph 5 of this section C, and thereafter shall carry out with due diligence all remedial measures agreed with the World Bank so as to ensure the proper implementation of the Project in accordance with the Safeguards Instruments.
7. In the event of a conflict between the provisions of any of the Safeguard Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

in accordance with the provisions of this Agreement; (D) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the pertinent Subproject and the achievement of its objectives; (E) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the World Bank for community driven initiatives; (F) enable the Recipient and the World Bank to inspect the pertinent Subproject, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the NSC all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing; and

- (c) exercise its rights and carry out its obligations under the Subproject Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce any Subproject Agreement or any provisions thereof.

**G. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**H. Donor Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Member Country's territory for purposes related to the Project.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Documents; Records**

1. In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:
  - (a) all records evidencing expenditures under the Project are retained for seven years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

- (b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

**B. Project Reports; Completion Report**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in the Project Operations Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

**C. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**D. Mid-Term Review Report**

Without limitation to the provisions of paragraph B above, the Recipient shall prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank no later than June 30, 2019, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project in accordance with the monitoring and evaluation plan, and setting out the measures recommended to ensure the efficient completion of the Project and to further the objectives thereof.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (a) Section I of the Procurement Guidelines, in the case of goods, works and non-consulting services;
  - (b) Sections I and IV of the Consultant Guidelines, in the case of consultants' services; and
  - (c) the provisions of this Section, as the same shall be elaborated in the Procurement Plan.
2. **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works, and Non-consulting services**

1. **National Competitive Bidding.** Except as otherwise provided in sub-paragraph (ii) below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the additional provisions set out in the Annex to this Schedule 2.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than National Competitive Bidding, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) Community Participation in Procurement.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in sub-paragraph (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

## Section IV. Withdrawal of Grant Proceeds

### A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Subgrants under Part 1 of the Project	3,985,000	100%
(2) Goods, Non-consulting Services, Consulting Services, Training and Operating Costs under Parts 2 and 3 of the Project	2,340,000	100%
<b>TOTAL AMOUNT</b>	<b>6,325,000</b>	

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$30,000 may be made for payments made prior to this date but on or after March 1, 2017, for Eligible Expenditures.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2021.

**Annex to Schedule 2**  
**National Competitive Bidding: Modifications to Procedures**

The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those of the *Pelelangan Umum* (Public Tendering) and *Pemilihan Langsung / Pelelangan Sederhana* (Simplified Tendering) methods as set forth in the Borrower's Presidential Regulation No. 54/2010 and its subsequent amendments as of January 16, 2015, with the modifications set out below in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines, pursuant to paragraph 3.3 of said Guidelines. The *Pemilihan Langsung / Pelelangan Sederhana* method shall apply to such procurement up to the financial thresholds specified in said Regulation. In the event of a conflict between the Borrower's procedures and these modifications, the latter shall govern.

1. Procuring entities shall use the appropriate standard bidding documents acceptable to the Borrower and the Bank. The provisions of Section 1.16 (Fraud and Corruption) of the Procurement Guidelines shall apply, and each bidding document and contract financed out of the proceeds of the Loan shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of said Guidelines and the contract provisions set out in paragraph 1.16(e) of said Guidelines.
2. Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign firm determined to be the lowest evaluated responsive bidder shall be given reasonable time for registration. Foreign bidders shall not be required to form a joint venture or sub-contract part of the supply of goods, non-consulting services, and works as a condition for submitting bids or the award of the contract. Bidding documents shall be made available to all international bidders.
3. No preference of any kind shall be given to any bidders.
4. Under the *Pelelangan Umum* method, bidders shall be allowed at least twenty-one (21) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids; this period shall be ten (10) days under the *Pemilihan Langsung / Pelelangan Sederhana* method.
5. Bids invited under the *Pelelangan Umum* method shall be submitted in one (1) envelope and evaluated using post-qualification.
6. No bidder shall be rejected merely on the basis of a comparison with the owner's estimate and budget ceiling without the Bank's prior written concurrence.
7. Bid security, if it is required by the bidding documents, at the bidder's option, shall be in the form of a letter of credit or guarantee from a reputable bank or other reputable financial institution and shall without exception follow the form provided for this purpose in the bidding documents.
8. All bids shall not be rejected and new bids solicited without the Bank's prior written concurrence.
9. Government-owned enterprises in Indonesia shall be eligible to participate provided that they comply with paragraph 1.10(b) of the Procurement Guidelines.

## APPENDIX

### Definitions.

1. “*Adat*” means a customary law community based on lineage or locality and bourn by customary law that live in the Member Country’s territory with characteristics: including: (a) self-identification as a distinct indigenous cultural group; (b) collective attachment to ancestral territories and to the land and associated natural resources in the territories; (c) customary cultural, economic, social or political institutions; and (d) an indigenous language.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014.
4. “CBO” means Community-Based Organization.
5. “CSO” means Civil Society Organization.
6. “DGM Framework Operational Guidelines” means the operational guidelines for the DGM window under the Forest Investment Program dated September 12, 2013.
7. “Environmental Code of Practice” means an environmental code of practice which may be prepared by the Recipient in accordance with the provisions of the Environmental and Social Management Framework, if any, and such term includes any annexes, appendices, or schedules to such assessment.
8. “Environmental and Social Management Framework or ESMF” means the Recipient’s framework dated December 20, 2016, acceptable to the World Bank, which contains the environmental protection measures in respect of the Project, including: (a) protection of natural habitats, physical cultural resources, forests, pest management and Indigenous Peoples; (b) guidelines for the handling of voluntary land donations (VLD), including the processes for conducting consultations and obtaining consent from landowners and heirs, and legal documentation and processing; (c) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project; (d) guidelines for the carrying out of environmental assessments and the preparation of environmental management plans, when applicable, including the Negative List and redress and complaints mechanism; (e) the recommendation of mitigation measures for each negative impact identified; and (f) measures for enhancing each identified positive impact, which includes guidelines and relevant Standard Operating Procedures for an integrated natural habitats, forests, pest management, physical cultural resources, community participation, and free, prior and informed consultations for the Project, and such term includes any annexes, appendices, or schedules to such framework.
9. “Environmental and Social Management Plan” means a plan which may be prepared by the Recipient in accordance with the provisions of the Environmental and Social Management Framework, if any, and such term includes any annexes, appendices, or schedules to such plan.

10. “FIP” means Forest Investment Program, a targeted program under the Strategic Climate Fund (SCF).
11. “Indigenous Peoples” means those social groups in the Member Country’s territory that have a distinct, vulnerable, social and cultural identity, and that are susceptible to being disadvantaged in the development process affected by the Project or any part thereof, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language; (e) having a subsistence economy, (f) using simple tools and technology, (g) having a high dependence on the environment and local natural resources, and (h) having restricted access to social, economic, and political services.
12. “IPLC” means Indigenous Peoples and Local Communities located in the Member Country’s territory.
13. “Local Communities” means communities based on lineage or locality that live in the Member Country’s territory, with characteristics including: (a) in-migrants and those who do not self-identify as part of an *Adat* community; (b) a collective attachment to the land and associated natural resources in the territories; and (c) a subsistence economy.
14. “National Executing Agency” means Samdhana Institute Indonesia, the agency appointed by the National Steering Committee on August 19, 2015 pursuant to the National Steering Committee’s letter no. 05/NSC-DGM Indonesia/VIII/2015 to be responsible for carrying out DGM activities in Indonesia, or any successor thereto.
15. “National Steering Committee” or “NSC”, means the committee comprising representatives from: indigenous peoples, *Adat* and Local Communities; the National Executing Agency to support NSC meetings; an appointed representative from National Forestry Council (DKN) Community Chamber, the Ministry of Environment and Forestry (MOEF), and the World Bank as observer, following the DGM Framework Operational Guidelines.
16. “Negative List” means the list of community level investments which shall be excluded from financing under any Subproject and which is described in the Project Operations Manual and the ESMF, as such list may be modified from time to time with the prior written agreement of the World Bank.
17. “NGO” means Non-Governmental Organization.
18. “Ministry of Environment and Forestry” or “MOEF” means the Member Country’s Ministry of Environment and Forestry or any successor thereto.



19. “Operating Costs” means the reasonable expenditures directly related to the Project incurred by the Recipient, based on annual budgets approved by the World Bank, on account of the implementation, management, coordination, and monitoring and evaluation of the Project, including expenditure on travel, lodging and per diems, consumable materials, office supplies, communications services (including postage handling, telephone and internet costs), publication services, translation services, operations and maintenance of office equipment and vehicles, bank charges, advertising expenses, and salaries of selected staff of the Recipient (other than consultants) for time spent on the Project, as may be approved by the World Bank, but excluding salaries, bonuses, fees and honoraria or equivalent payments of staff of the Member Country’s civil service.
20. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014.
21. “Procurement Plan” means the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines.
22. “Project Operations Manual” means the Recipient’s manual referred to in Section 4.01 of this Agreement and Section I.B of Schedule 2 to this Agreement, in form and substance satisfactory to the World Bank, as said manual may be modified from time to time with the prior written approval of the World Bank; and such term includes any schedules, annexes and attachments to the Project Operations Manual.
23. “REDD+” means reducing emissions for deforestation and forest degradation, and the role of conservation, sustainable forest management and enhancement of forest carbon stocks.
24. “Safeguards Instruments” means collectively the ESMF, including the Environmental Code of Practice and the Standard Operating Procedures and the Environmental Management Plans.
25. “Standard Operating Procedures” means the procedures to operationalize the ESMF, including procedures for oversight, voluntary land donations, complaint handling and community participation.
26. “Subgrant” means a subgrant made or proposed to be made by the Recipient to a Subgrantee out of the proceeds of the Grant, pursuant to a Subproject Agreement for the purpose of financing goods, works and services required for a Subproject, in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
27. “Subgrantee” means CBOs, CSOs and NGOs selected from the Project regions of Sumatra, Papua, Kalimantan, Maluku, Java, Sulawesi, Bali-Nusa Tenggara that satisfy the requirements set out in the Project Operations Manual to receive Subgrants and carryout Subprojects under Part 1 of the Project, for the benefit of IPLCs.
28. “Subproject Agreement” means an agreement entered into, or to be entered into, between the Recipient and a Subgrantee, for the purpose of extending a Subgrant, and referred to in Section I.F of Schedule 2 to this Agreement.

29. “Subproject” means an activity qualified for financing by a Subgrant under Part 1 of the Project in accordance with the terms of this Agreement, the Project Operations Manual and the relevant Subproject Agreement.
30. “Standard Conditions” means the standard conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012.
31. “Training” means the reasonable costs of training under the Project, based on annual budgets approved by the World Bank, and directly attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation, as may be approved by the World Bank.