



ADAPTATION FUND

AFB/PPRC.23/18
24 September, 2018

Adaptation Fund Board
Project and Programme Review Committee
Twenty-Third Meeting
Bonn, Germany, 9-10 October, 2018

Agenda Item 6 I)

PROPOSAL FOR INDONESIA (6)

Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (OPG, Annex 4) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

3. The first four criteria mentioned above are:

1. Country Eligibility,
2. Project Eligibility,
3. Resource Availability, and
4. Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:

5. Implementation Arrangements.

5. It is worth noting that since the twenty-second Board meeting, the Environmental and Social (E&S) Policy of the Fund was approved and consequently compliance with the Policy has been included in the review criteria both for concept documents and fully-developed project documents. The proposals template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the E&S Policy.

6. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in conjunction with the revision of the Operational Policies and Guidelines in November 2013.

7. Based on the Board Decision B.9/2, the first call for project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on April 8, 2010.

8. According to the Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.

9. The following small-sized project concept document titled “Development of Sustainable Seaweed and Fishery Management for Enhance Community Prosperity & Climate Change Adaptation of Coastal and Small Island at West Nusa Tenggara Province” was submitted by Kemitraan – The Partnership for Governance Reform, which is a National Implementing Entity of the Adaptation Fund.

10. This is second submission of the proposal. It was received by the secretariat in time to be considered in the thirty-second Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number IDN/NIE/Multi/2017/2, and completed a review sheet.

11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with Kemitraan, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.

Project Summary

Indonesia – Development of Sustainable Seaweed and Fishery Management for Enhance Community Prosperity & Climate Change Adaptation of Coastal and Small Island at West Nusa Tenggara Province'

Implementing Entity: *Kemitraan - The Partnership for Governance Reform*

Project/Programme Execution Cost: USD N/A

Total Project/Programme Cost: USD 906,000

Implementing Fee: USD 78,000

Financing Requested: USD 984,000

Project Background and Context:

The project objective is to develop the seaweed industry in Indonesia (coastal and small island in Nusa Tenggara Barat Province) to sustainably maintain a strong local economy, to ensure food security, as well as to protect the livelihood and welfare of the people the local people. Activities will be directed to community development in order increase the capacity of resilience in addressing the impact of climate change. The project has several main objectives:

- To give the coastal community to develop their potential income generating by natural resource base through participating business activity in seaweed & fishery processing which also can best effort for mitigate and adaptation for climate change in coastal area.
- To give the coastal community a chance to secure the alternative income without ignoring their household cores while they improve the environment quality for fishery and seaweed cultivation.
- To create the conducive situation in which entrepreneurial spirit, skills and knowledge so that society as the whole can get benefit from it.
- To develop the sustainable management of seaweed and fishery cultivation and introducing of value added and clean technology of production to reduce the environment degradation cause the exploration in their conservative nature.
- To monitor and evaluate the CO₂ absorption and acidification coastal area
- To contributed on recovery and rehabilitation of West Nusa Tenggara after earthquake

Component 1: Field Coordination/Grouping (USD 78,000)

Component 2: Training Phase (USD 73,000)

Component 3: Production/cultivation (USD 685,000)

Component 4: Harvesting handling (USD 50,000)

Component 5: Post-harvest training (USD 20,000)



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Small-sized Project

Country/Region: **Indonesia**

Project Title: **Development of Sustainable Seaweed and Fishery Management for Enhance Community Prosperity & Climate Change Adaptation of Coastal and Small Island at West Nusa Tenggara Province**

AF Project ID: **IDN/NIE/Multi/2017/2**

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): **\$984,000**

Reviewer and contact person: **Saliha Dobardzic**

Co-reviewer(s): **Martina Dorigo**

IE Contact Person: **Monica Tanuhandaru, Kemitraan – The Partnership for Governance Reform**

Review Criteria	Questions	Comments on 20/8/2018	Comments on 9/9/2018
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes, Indonesia is a developing country with a strong dependence on its coastal and marine ecosystems that are particularly vulnerable to climate change.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes.	

	<p>2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?</p>	<p>Possibly.</p> <p>The application of seagrass for coastal adaptation and improving food security is indeed an appropriate measure to adapt to climate change. However, the proposal should provide a stronger climate change adaptation rationale to demonstrate directly how the proposed interventions will lead to higher resilience to the impacts of climate change. Further, the narrative of section A does not coincide with the project components.</p> <p>CR1: Please include clear articulation of the climate change impacts that this project has been designed to address, the assessments and evidence of vulnerability that support the rationale of the project, and how the chosen activities address those impacts and the resilience of the chosen communities. In particular, Table 1 and Figure 1 are vague and do not explain the methodology used or which climate change impacts are included.</p> <p>CR2: Please provide a most complete description of the project components in section A.</p>	<p>CR1: Somewhat addressed. The review sheet response has included some additional information. However, this has not been incorporated into the project document.</p> <p>CR2: Not addressed – additional information was not added to the project document.</p>

	<p>3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Requires further clarification. The proposal includes out a number of project sub-objectives that seem to be focusing on improving the socio-economic opportunities in local communities rather than addressing the impacts of climate change.</p> <p>CR3: Please provide further clarification on the rationale for the project and how the proposed investments will enhance resilience to the impacts of climate change in the particular geographical context and local environmental conditions (in specifically selected project sites).</p> <p>CR4: Please clarify how women and vulnerable populations will be engaged in the project (the proposal speaks to a potential role for women but does not clarify the project approach).</p> <p>CR5: Please provide additional information on how the project will mitigate any potential negative impacts to the coastal environment.</p>	<p>CR3: Somewhat addressed.</p> <p>CR4: Somewhat addressed – response seems to assume a passive role for women – but must be designed to fully include and benefit women.</p> <p>CR5: Not addressed.</p>
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	4. Is the project / programme cost effective?	<p>Not clear. The concept does not provide sufficient information to review the project's cost-effectiveness.</p> <p>CR6: Please provide an analysis of why the chosen solution is cost-effective relative to viable alternatives to achieve the intended adaptation outcomes. The term effective usually refers to (reaching the stated needs/objective/goal).</p>	CR6: Not addressed.
	5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	<p>Mostly addressed.</p> <p>CR7: Please provide additional information on relevant adaptation policies and plans (NDC of Indonesia to the Paris Agreement, National Adaptation Plan, etc.).</p>	CR7: Not addressed adequately – makes broad statements without any specifics.
	6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	<p>Partially addressed. The proposal lists a few relevant laws but does not address how the project will maintain or meet the required standards.</p> <p>CR8: Please provide information on how the project will meet the required standards that are listed, as well as additional regulations on environmental impact assessments</p>	CR8: Somewhat addressed.

	7. Is there duplication of project / programme with other funding sources?	Explanation is not sufficient. CR9: Please provide an explanation and analysis of other related projects or programs in the area from other funding sources.	CR9: Not addressed.
	8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Requires clarification. CR10: Please further elaborate how the project will support learning and knowledge management. Please consider including activities such as online presence/repository of lessons learned, production of outreach material, both in printed format, as well as using available electronic platforms, including Facebook, text messages and a simple project website. Please also elaborate on what the strategy is to include school children and the private sector actively in the outreach campaign.	CR10: Addressed.
	9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	Not addressed. It is unclear which groups have been consulted to inform the design of the project. CR11: Please clarify which groups have already been consulted in the design of the project, and how the project will continue to ensure a consultative process over the course of project implementation.	CR11: Not addressed – it is still unclear if any local community members have been consulted.
	10. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Not addressed, the project must refine the adaptation rationale of the project and compare to the baseline and	

		business and usual condition. CR12: Please reformulate this section to compare the project components with the baseline (no funds from the Adaptation Fund).	CR12: Not addressed
	11. Is the project / program aligned with AF's results framework?	Possibly, pending the clarification of other issues.	
	12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	Somewhat addressed. CR13: Please provide more information on the seed fund and how it will sustain itself.	CR13: Not addressed.
	13. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	CR14: Please provide justification for why the project proponent deems that no further assessment is required for compliance with the Environmental and Social Policy and Gender Policy of the Fund.	CR14: Not addressed.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes	Yes
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	No, it is 8.7% CR15: Please correct the fee so that it is at or below 8.5 per cent of the total project/programme budget before the fee.	CR15: Not addressed.
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget	The budget is unclear on what the execution cost is. CR16: Please clarify if there is any execution cost for this project.	CR16: Not addressed.

	(including the fee)?		
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes, Kemitraan is an accredited NIE.	Yes, Kemitraan is an accredited NIE.
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	N/A (not assessed at the concept stage).	N/A (not assessed at the concept stage).
	2. Are there measures for financial and project/programme risk management?	N/A (not assessed at the concept stage)	N/A (not assessed at the concept stage)
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	N/A (not assessed at the concept stage)	N/A (not assessed at the concept stage)
	4. Is a budget on the Implementing Entity Management Fee use included?	N/A (not assessed at the concept stage) <i>Yes, it is included</i>	N/A (not assessed at the concept stage) <i>Yes, it is included</i>
	5. Is an explanation and a breakdown of the execution costs included?	N/A (not assessed at the concept stage)	
	6. Is a detailed budget including budget notes included?	N/A (not assessed at the concept stage)	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	N/A (not assessed at the concept stage)	

	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	N/A (not assessed at the concept stage)	.
	9.		
	10. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	N/A (not assessed at the concept stage)	
	11. Is a disbursement schedule with time-bound milestones included?	N/A (not assessed at the concept stage)	

Technical Summary	<p>The final technical review of the project concept document finds that the proponent has not adequately resolved most of the clarification requests and has not provided sufficient information for this stage. Namely, the project has not revised the project document in line with the revisions made, and has not fully justified the cost-effectiveness of the proposed project approach, the project components, compliance with the Environmental and Social Policy of the Fund, the analysis of duplication, and project sustainability, among other issues.</p> <p>The proposed project seeks to improve the livelihoods of low income coastal communities and fishermen by increasing the cultivation of seaweed and seagrass. While the social and economic benefits of these activities may certainly be justified, the adaptation rationale of the project should be stronger and the project objectives and deliverables should be refined in line with a greater degree of focus on adaptation outcomes.</p> <p>The following clarification requests are made: CR1: Please include clear articulation of the climate change impacts that this project has been designed to address, the assessments and evidence of vulnerability that support the rationale of the project, and how the chosen activities address those impacts and the resilience of the chosen communities. In particular, Table 1 and Figure 1 are vague and do not explain</p>
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	<p>the methodology used or which climate change impacts are included.</p> <p>CR2: Please provide a more complete description of the project components in section A.</p> <p>CR3: Please provide further clarification on the rationale for the project and how the proposed investments will enhance resilience to the impacts of climate change in the particular geographical context and local environmental conditions (in specifically selected project sites).</p> <p>CR4: Please clarify how women and vulnerable populations will be engaged in the project (the proposal speaks to a potential role for women but does not clarify the project approach).</p> <p>CR5: Please provide additional information on how the project will mitigate any potential negative impacts to the coastal environment.</p> <p>CR6: Please provide an analysis of why the chosen solution is cost-effective relative to viable alternatives to achieve the intended adaptation outcomes.</p> <p>CR7: Please provide additional information on relevant adaptation policies and plans (NDC of Indonesia to the Paris Agreement, National Adaptation Plan, etc.)</p> <p>CR8: Please provide information on how the project will meet the required standards that are listed, as well as additional regulations on environmental impact assessments.</p> <p>CR9: Please provide an explanation and analysis of other related projects or programs in the area from other funding sources.</p> <p>CR10: Please further elaborate how the project will support learning and knowledge management. Please consider including activities such as online presence/repository of lessons learned, production of outreach material, both in printed format, as well as using available electronic platforms, including Facebook, text messages and a simple project website. Please also elaborate on what the strategy is to include school children and the private sector actively in the outreach campaign.</p> <p>CR11: Please clarify which groups have already been consulted in the design of the project, and how the project will continue to ensure a consultative process over the course of project implementation.</p> <p>CR12: Please reformulate this section to compare the project components with the baseline (no funds from the Adaptation Fund)</p> <p>CR13: Please provide more information on the seed fund and how it will sustain itself.</p> <p>CR14: Please provide justification for why the project proponent deems that no further assessment is required for compliance with the Environmental and Social Policy and Gender Policy of the Fund.</p> <p>CR15: Please correct the fee so that it is at or below 8.5 per cent of the total project/programme budget before the fee.</p> <p>CR16: Please clarify if there is any execution cost for this project.</p>
Date:	9 September 2018