



ADAPTATION FUND

AFB/PPRC.24/11
27 February, 2019

Adaptation Fund Board
Project and Programme Review Committee
Twenty-Fourth Meeting
Bonn, Germany, 12-13 March, 2019

Agenda Item 9 d)

PROPOSAL FOR INDONESIA (2)

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 (Annex 5 of the OPG, as amended in March 2016) 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:

- (i) Country Eligibility,
- (ii) Project Eligibility,
- (iii) Resource Availability, and
- (iv) Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:
(v) Implementation Arrangements.

5. It is worth noting that at the twenty-second Board meeting, the Environmental and Social Policy (ESP) of the Fund was approved and at the twenty-seventh Board meeting, the Gender Policy (GP) of the Fund was also approved. Consequently, compliance with both the ESP and the GP has been included in the review criteria both for concept documents and fully-developed project documents. The proposal template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the ESP and the GP.

6. At 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 fully-developed programme document titled “Building Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province” was submitted for Indonesia by the Partnership for Governance Reform in Indonesia (Kemitraan), which is the National Implementing Entity of the Adaptation Fund.

10. This is the third submission of the proposal using the two-step submission process. It was first submitted as a project concept for consideration by the Board at its thirtieth meeting and the Board decided:

(a) To endorse the project concept, as supplemented by the clarification response provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;

(b) To request the secretariat to transmit to Kemitraan the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:

i. The sustainability of project outcomes needs to be better articulated, by embedding the planned activities in the village- and city-level governance structures (government, private sector and civil society organizations) so they can be scaled up and/or maintained (coastal embankment) with appropriate financing;

ii. The relationship between actions at the different levels needs to be further explained, given the importance of ensuring coordination and coherence of multilevel action;

iii. Project compliance with the Adaptation Fund’s environmental and social policy needs to be better explained;

(c) To approve the project formulation grant of US\$ 30,000;

(d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia; and

- (e) *To encourage the Government of Indonesia to submit through Kemitraan a fully developed project proposal that would address the observations in subparagraph (b) above.*

(Decision B.30/12)

11. It was resubmitted in the thirty-second Board meeting as a fully-developed programme and the Board decided:

(a) *To not approve the fully-developed project as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;*

(b) *To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:*

- i. The proposal should provide sufficient technical information and specifications about the proposed interventions to a point where the risks related to the Adaptation Fund's Environmental and Social Policy (ESP) can be effectively and comprehensively identified; as such, it should consider undertaking the various planned preliminary assessments before submission of the fully-developed proposal to allow the final identification of the project's interventions;*
- ii. The proposal should further demonstrate the appropriateness of the proposed interventions in responding to the threats posed by climate change scenarios;*
- iii. The proposal should explain how the infrastructure to be built under the programme will be made resilient to the impacts of climate change;*
- iv. The proposal should demonstrate how the project and its associated interventions would meet the relevant national technical standards, in compliance with the ESP;*
- v. The proposal should provide evidence of a comprehensive, gender-responsive consultative process involving all direct and indirect stakeholders of the proposed project and should demonstrate that the outcomes of the consultative process were taken into account in the design of the proposed interventions; and*

vi. The proposal should demonstrate compliance of the project activities with the ESP; and

(c) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Decision B.32/12)

12. The current submission was received by the secretariat in time to be considered in the thirty-third Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number IDN/NIE/Multi/2017/1, and completed a review sheet.

13. 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.

14. 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 – Building Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province

Implementing Entity: Partnership for Governance Reform in Indonesia (Kemitraan)

Project/Programme Execution Cost: 353,217 USD

Total Project/Programme Cost: 3,718,077 USD

Implementing Fee: 55,771 USD

Financing Requested: 4,127,065 USD

Programme Background and Context

With 18,000 islands and a coastline that stretches over 18,000 km and that hosts almost 60% of the country population, Indonesia is vulnerable to the impacts of climate change. Among such impacts, it is expected that the average surface temperature will increase by 0.8°C-1°C by 2050, that the sea surface temperature will increase by 1-1.2°C by 2050, that rainfall will increase in wet season and decrease in transition months, and that the sea level rise will reach 35-40 cm in 2050 relative to the value of 2000. Because of its rapid urban development, high population density and role in rice production, the North Coast of Java, where Pekalongan city is located, is seen as highly vulnerable to climate change impacts.

The objective of the proposed project is to build coastal resilience to climate change impacts and natural disasters with a particular focus on pro-poor adaptation actions that involve and benefit the most vulnerable communities of the city. It plans to reach this objective through a combination of hard and soft adaptation measures, distilled along different governance level (national, provincial, city and village level), reflected respectively in each of the four program components. Adaptation interventions remains to be precisely determined, but information provided include developing alternative livelihoods (such as shrimp and fish production), constructing coastal embankments structures, developing eco-tourism, and building capacity of different stakeholders to integrated climate change adaptation into various planning processes. The project proposal is structured around four components.

Component 1: Village level - Enhancing coastal community capacity in developing and implementing Climate change adaptation actions and village information system including developing livelihood strategies, by also taking into account relevant local wisdom (USD 948,173)

This component will undertake various scoping and feasibility studies in order to define activities that the proposed program could implement following which activities will be implemented in target villages. Examples of activities include mangrove restoration, support in rice and fish production, promotion of rainwater harvesting techniques, ecotourism, among others.

Component 2: City Level - Enhancing local government and other city stakeholders' capacity in developing local climate change adaptation action plan (RAD API) and implement Climate smart (USD 2,615,545)

Under this component, the program would perform scoping and feasibility studies for Pekalongan city in order to define and assess the interventions that could be implemented in that city. The program would notably build geo-tube embankments in two villages, for a total length of 1.5 km. It would also build individual and communal sanitation facilities in some villages. Other activities would include the construction of shrimp and fish ponds, mangrove restoration, promotion of ecotourism, among others. The program would also establish a city-wide knowledge management platform.

Component 3: Province Level - Strengthening vertical coordination by enhancing provincial government's capacity in mainstreaming climate change adaptation and resilience into Central Java Province development plan, which in turn could foster better climate-related policy on climate financing and bottom-up planning (USD 31,074)

In this component, trainings would be provided to enhance the capacity of the provincial government to integrate climate change adaptation into local climate change adaptation action plans.

Component 4: National Level - Strengthening vertical coordination and collaboration between national and local government in climate adaptation context and Enriching knowledge, toolkits and methodologies coastal resilience for the national government (USD 123,285)

Under this component, the program would promote the use of a free web-based tool that calculates climate risk indexes that could be used by local governments to assess their risk indexes in a user-friendly way. The program would also provide inputs to the National Action Plan on Climate Change Adaptation.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Full Proposal

Country/Region:	Indonesia		
Project Title:	Building Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province		
Thematic Focal Area:	Multi-sectors		
Implementing Entity:	Partnership for Governance Reform in Indonesia (Kemitraan)		
AF Project ID:	IDN/NIE/Multi/2017/1		
IE Project ID:			
Reviewer and contact person:	Hugo Remaury	Requested Financing from Adaptation Fund (US Dollars): 4,127,065	
IE Contact Person:	Ms. Dewi Rizki	Co-reviewer(s): Saliha Dobardzic	

Review Criteria	Questions	Comments January 22, 2019	Comments February 14, 2019
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.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	The Letter of Endorsement was not found in the submission. CAR 1: Please include the letter of endorsement into the proposal.	CAR 1: Addressed.
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme	No. CAR 2: Please reduce the length	CAR 2: Not addressed. Please

	concept, including its annexes; or One hundred pages for the fully-developed project document, and one hundred pages for its annexes?	of the main text and its annex to a maximum of 100 pages each.	reduce the length of the main text and its annex to a maximum of 100 pages each.
	3. 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>The project would implement a series of interventions in eight target villages. The measures range from mangroves' restoration to protection and strengthening of aquaculture farms, renovation of eco-tourism sites, construction of various embankments, and construction of individual and communal latrines. They remain to be precisely identified and described.</p> <p>While the proposal states that interventions have been identified, the document indicates otherwise. The description of the interventions lacks details and technical specifications, thus hindering a comprehensive identification of Environmental and Social Policy (ESP) related risks and bringing a case of Unidentified Sub-Projects (USPs). Indeed, the proposal is not specific regarding activities planned under activity 1.3.1.2, saying that they have</p>	

		<p>been “agreed” but suggesting that some will actually be defined during implementation after further consultation with communities. In addition, there is no evidence that communities other than village leaders have been consulted regarding these activities.</p> <p>CR1: The activities should be described to a point where environmental and social risks can be effectively and comprehensively identified. It seems relevant to undertake the initial scoping and feasibility studies to validate the activities’ relevance and, based on its findings, to add to the proposal precise technical specifications on the planned interventions. This should include, at least, an explanation on the geotube technology, a description of the floating and non-floating latrines, a description of the mangrove species that will be planted, a description of the target eco-tourism sites and maps/location of where each of these activities will take place.</p>	<p>CR1: Not addressed. Please proceed with initial scoping and feasibility studies for the concrete activities to validate their relevance, and describe describing activities to a point where environmental and social risks can be effectively and comprehensively identified. Indeed, the current description of the program interventions does not allow a comprehensive identification of Environmental and Social Policy (ESP)-related risks, as evidenced by the lack of specific information around the construction of the geotube infrastructures which represent 1/3 of the program total cost. For USPs, there should be an indicative, preliminary list and an ESP Framework in place. In parallel, preliminary studies for such interventions have not been performed yet. It seems of utmost</p>
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		<p>The proposal should describe the process through which they have been selected. It should highlight the role that local communities' inhabitants had in the selection process, demonstrating that their interests and concerns are reflected in the design of the interventions.</p> <p>Given the very strong similarities between the "<i>villages-level</i>" and "<i>city-level</i>" activities and the fact that most of these interventions seem to take place in the exact same villages, the rationale for presenting these activities in two separate components is unclear.</p> <p>CR3: Please clarify the rationale of having similar activities planned in similar villages, but presented in two different components. Consider merging such activities in a single component, if relevant.</p> <p>The information presented in the proposal do not allow a clear understanding of how the interventions suggested are suited for the identified climate threats. As necessary and justified they</p>	<p>importance to perform them, given that concrete interventions represent two third of the funding requested, and that the previous version of the proposal acknowledged that such studies would ensure that the proposed actions will not leads to maladaptation and further jeopardizing Pekalongan City sustainability.</p> <p>CR3: Addressed, although the proposal remains confusing and includes lots of duplicative information regarding these two components. Merging such components may enhance the program efficiency and the proposal readability.</p>
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		<p>may be in light of the current situation, the interventions need to be distinguished from “business-as-usual” development or disaster risk reduction interventions. There are indeed too few explanations on how the renovation of eco-tourism sites, the reconstruction of individual and communal latrines or the construction of aquaculture farms will help reducing the vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change.</p> <p>CR4: Please explain for each of the concrete interventions listed above how they will increase the adaptive capacity of human and natural systems to respond to the impacts of climate change.</p> <p>CR5: Please discuss the key potential risks to the infrastructure the program plans to build (e.g. coastal embankments, fish farms, latrines, eco-tourism sites among others), including climate risks, and what is the process to ensuring they are built or established considering the relevant climate risks.</p>	<p>CR4: Addressed, as per information provided on page 25-38.</p> <p>CR5: Not addressed. Please discuss the key potential risks to the infrastructure the program plans to build (e.g. coastal embankments, fish farms, latrines, eco-tourism sites among others), including climate risks, and describe how the program will ensure that they are built or established considering the relevant climate risks.</p>
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		<p>CR6: Please update the project/programme components and financing table (p.20 to 23) with the break-down of costs at output level.</p> <p>CR7: As it currently reads, the proposal suggest that loans would be provided by local financial institutions to support aquaculture activities (revolving fund scheme) and the construction of communal and individual latrines (financial mechanism unknown), only for “city-level” activities, whereas it is understood that such infrastructures will be financed entirely by the AF grant for the exact same “villages-level” activities. Please clarify the reason for the difference and extent to which these financial mechanisms will be used for the “villages-level” vs. “city-levels” activities.</p>	<p>CR6: Addressed, as per information provided on page 16-19.</p> <p>CR7: Addressed, as per information provided on page 31.</p>
	4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating	The proposal remains vague with respect to the project beneficiaries and how the project will ensure an equitable distribution of benefits to vulnerable communities, households, and individuals.	

	<p>negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Indeed, the description of the largest activities (1.3.1.2 and 2.2.1.3) provide very few detail on how the beneficiaries will be selected for these activities.</p> <p>CR8: Please clarify i) the process through which the project benefits will be allocated and distributed, including the criteria that will be used, in alignment with AF policies and guidelines, and ii) how such process will provide a fair and equitable access to benefits. Please update the ESP screening table and ESMP as needed.</p> <p>No quantified economic benefits are provided with respect to the livelihoods activities (aquaculture farming, eco-tourism) the project would implement.</p> <p>CR9: Please quantify as much as possible the expected economic benefits of such activities, based on existing literature, studies, analysis, or similar projects.</p> <p>The initial gender consultation carried out includes several barriers to women participation</p>	<p>CR 8: Not addressed. Please explain the process through which the funding will be allocated both at village and city-level and clarify whether such processes have already started, as suggested by the proposal (<i>"Proposals were submitted to CWG and financial institutions"</i>) and demonstrate that these processes are in line with the ESP and Gender Policy (GP) of the AF.</p> <p>CR9: Addressed, as per information provided on page 53-54.</p>
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		<p>into the program. However, the proposal does not sufficiently outline how it took such barriers into account in order to increase the chances of women participation into the program.</p> <p>CR10: Please describe how the barriers faced by women in participating into the program have been taken into account in the project activities.</p>	<p>CR10: Addressed, as per information provided on page 94.</p>
	5. Is the project / programme cost effective?	Yes.	
	6. 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?	Yes.	
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	<p>CR11: Figure 11 lists “beach border” and “coastal areas of mangrove forests” as protected areas according to Appendix I Permen LH No. 5 Year 2012. As a result, according to the screening diagram provided, mangrove restoration activities, rehabilitation of eco-tourism sites, aquaculture</p>	<p>CR11: Not addressed. Please clarify on which basis the construction of geotubes, latrines and the renovation of eco-tourism sites are considered as “<i>Cultivation that does not significantly affect the environment</i>”, thus being granted an exemption of Environmental Impact Assessments (EIAs) according to the national</p>

		<p>and geotube construction (and potentially latrines, pending on their possible locations on protected areas) would require Environmental Impact Assessments. Please clarify whether such activities would need EIAs, and update the proposal accordingly if needed.</p> <p>The proposal states that building codes are irrelevant to the project apart from the construction of latrines. Considering the construction and plantation the program will undertake (eco-tourism site, embankments, aquaculture pounds, mangrove restoration), please clarify the statement.</p> <p>CR12: Please explain whether any building codes would apply to the installation of the geotubes, the rehabilitation of the eco-tourism sites, the construction of aquaculture pounds of the restoration of mangroves, and explain how the project would comply with such codes (including any planning permission, construction permits etc.). Update</p>	<p>legislation. According to the diagram provided and considering the fact that such activities are not in substance “cultivation” activities, they are likely to require EIAs. Similarly, the claim that aquaculture activities are not significantly affecting the environment remains to be demonstrated in an evidence-based and substantiated way.</p> <p>CR12: Addressed, as per information provided on page 74.</p>
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		<p>the ESP screening table and ESMP accordingly.</p> <p>The proposal states that 80 % of the coastal lands are private lands. Various interventions, including the construction of geotube and rehabilitation of mangroves, will take place on coastal lands.</p> <p>CR13: Please clarify whether any land tenure law or regulation would apply in such cases and explain how the project would comply with them.</p>	<p>CR13: Not addressed. Please explain how the program will comply with any land tenure related laws or regulations.</p>
	8. Is there duplication of project / programme with other funding sources?	No.	
	9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Yes.	
	10. 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?	<p>Lists of participants and meeting outcomes are missing for various meetings, most crucially for those related to consultations with local communities. As such, there is no evidence that the most vulnerable groups that the program plan to target have been consulted. In addition, the proposal does not show any evidence of gender-</p>	

		<p>sensitive consultation in the target communities.</p> <p>CR14: Please provide the documentation requested in Annex 5 of the AF OPG, and describe how the outcomes of such consultations, which should be in line with the Fund's Gender Policy, are reflected in the project design.</p> <p>The program proposes to facilitate access to loans for communities, and to set up a revolving fund with local financial institutions. Such funding will support the construction of latrines, aquaculture activities and eco-tourism projects. Two local institutions will manage this fund. However, the proposal does not include evidence that these institutions have been consulted during the design of the program.</p> <p>CR15: Please provide documentation on the consultation with financial institutions and describe how the outcomes of such consultations are reflected in the design of the pilot financing scheme.</p>	<p>CR14: Not addressed. Please provide the documentation requested in Annex 5 of the AF OPG and describe how the outcomes of such consultations (interests and concerns of local communities) are reflected in the program design.</p> <p>CR15: Not addressed. Please provide documentation on the consultation with financial institutions and describe how the outcomes of such consultations are reflected in the design of the pilot financing scheme.</p>
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		<p>Although it is noted that regional public institutions (BAPPEDA and government tourism agency) have been consulted, the involvement of the private tourism sector is unclear.</p> <p>CR16: Please clarify whether privately-owned tourism entities located in the vicinity of the target sites have been consulted, if any.</p> <p>The proposal acknowledges that “<i>some parts of the coastal area are privately owned</i>”. It is further added that “<i>there is a high potential that some of the targeted restoration site is owned by the community</i>”, although the same section suggests that it belongs to a single “<i>owner</i>”. There is no evidence of either the owner or the community owning the land has been consulted.</p> <p>CR17: Given the key role such community or individual owner would play in this activity, please explain who are the land-owner(s) and proceed with appropriate consultation and describe how the</p>	<p>CR16: Addressed as per information provided on page 93.</p> <p>CR17: Not addressed. Given the key role land-owners would have on the implementation of the mangroves restoration activities and the fact that they seem to own 80% of the land upon which mangroves would be</p>
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		outcomes of such discussion are reflected in the project design. Meanwhile, please clarify if such land-ownership risk may arise for other activities as well (aquaculture, embankments, communal and private latrines) and proceed with similar consultations as needed.	planted, please proceed with consultations with land-owner(s), provide the documentation requested in Annex 5 of the AF OPG and describe how the outcomes of such discussions are reflected in the program design.
	11. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Yes.	
	12. Is the project / program aligned with AF's results framework?	Yes.	
	13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p>There needs to be a strong commitment from the local governments to operate and maintain the infrastructure investments beyond the life of the project, or another arrangement which would secure the sustainability of the project outcomes. Such commitment seems important to secure before project approval, given the high exposure of the program outcomes to the natural elements and their maintenance needs.</p> <p>CR18: Based on the consultations outcomes that show the apparent support from local cities to the</p>	<p>CR 18: Not addressed. Please provide evidence of local governments' commitments to</p>

		<p>concrete interventions, please provide evidence of their commitments to maintain and finance such outcomes (embankments, eco-tourism, latrines, mangroves) after project closure.</p> <p>The proposal states that the sustainability of the planned livelihoods interventions (aquaculture, eco-tourism) will be ensured through their expected economic return and that the selected adaptation actions are profitable. However, it does not provide any evidence-based information demonstrating such profitability.</p> <p>CR19: Drawing on literature, studies, analysis, or similar projects, please provide evidence-based information demonstrating the economic returns expected from the livelihoods activities (notably aquaculture and eco-tourism).</p> <p>The description of the pilot financing scheme should be strengthened to allow a</p>	<p>maintain and finance such outcomes (embankments, eco-tourism, latrines, mangroves) after program closure, beyond the hypothetical commitments the proposal describes.</p> <p>CR 19: Addressed, as per information provided on page 99.</p>
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		comprehensive understanding of its modalities. CR20: Please i) describe the source of capital that will be provided to support the program activities; ii) provide the criteria that will be used to approve loans' applications and iii) demonstrate how these loans will comply with the AF OPG, ESP and GP.	CR 20: Not addressed. Please demonstrate (in a substantiated and evidence-based manner) how the activities financed through these loans will comply with the ESP and GP.
	14. 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?	Yes, a full overview is provided, and the project is classified as Category B.	
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes.	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	Yes	
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes.	

Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes.	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	Yes.	
	2. Are there measures for financial and project/programme risk management?	<p>Yes.</p> <p>The project mentions a possible land-tenure challenge due to the fact that “80% of the land is private lands”. Although it identifies this risk for the restoration of mangroves, it does not mention any risks this may have on other activities.</p> <p>CR21: Please confirm the status of the lands on which the program interventions (embankments, latrines, eco-tourism, aquaculture) will take place. Relevant stakeholders (land owners) should be consulted and the project design modified accordingly, if and as needed.</p>	<p>CR 21: Addressed. As requested above, please proceed with consultation of land-owners directly concerned by the mangrove restoration activity and update this section of the proposal as needed.</p>
	3. Are there measures in place for the management of environmental and social risks, in line with the Environmental and Social Policy	<p>Yes.</p> <p>However, the ESMP may need to be updated as per the outcomes of</p>	<p>The ESMP may need to be updated as per the outcomes of the above</p>

	and Gender Policy of the Fund?	the above CRs.	CRs.
	4. Is a budget on the Implementing Entity Management Fee use included?	Yes.	
	5. Is an explanation and a breakdown of the execution costs included?	Yes.	
	6. Is a detailed budget including budget notes included?	<p>Yes.</p> <p>CR22: The budget includes some inconsistencies and lacks some key information. For instance, there are inconsistencies in the budget presented for activities 1.1.1.2, 1.3.1.1., 1.3.1.2 (totals do not add up). Also, with the level of information provided so far, it is still unclear what exactly encompasses the USD 120,000 of the “detailed engineering design”. In addition, no breakdown of costs is provided for the two biggest part of the budget (i.e. activity 1.3.1.2 and 2.2.1.3). Finally, some items such as coordination with project stakeholders currently charged to the project should be included in the execution costs or implementing entity fees as per https://www.adaptation-fund.org/generic/costs-and-fees/. Please revise the budget</p>	<p>CR 22: Not addressed. Please address all existing budget inconsistencies (e.g. many totals do not add up, some budget allocation do not have corresponding titles, others do not have budget allocation at all, some activities are too generic, others may not comply with AF costs and fees guidance etc.) and ensure compliance with guidance on execution costs or implementing entity fees as per https://www.adaptation-fund.org/generic/costs-and-fees/.</p>

		accordingly and ensure it is in line with AF requirements.	
	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?	<p>Partly.</p> <p>Two gender-sensitive indicators have been added without, however, setting targets. When they exist, gender-sensitive targets do not aim at equal participation and representation of women and men. Finally, some indicators have for no gender-sensitive indicators nor targets. This does not comply with the AF Gender Policy.</p> <p>CR23: In compliance with the Gender Policy of the AF, please disaggregate indicators by gender, wherever possible, and set targets towards a goal of equal participation and representation of women and men.</p> <p>CR24: Please set baseline, targets, source of verification and risk and assumption for program level objectives in the result framework.</p> <p>CR25: The 192 individual sanitations facilities that would be constructed at city-level are not</p>	<p>CR 23: Not addressed. Please disaggregate indicators by gender, wherever possible, and set targets towards a goal of equal participation and representation of women and men, in line with the AF GP.</p> <p>CR 24: Addressed, as per information provided on p.133-134.</p> <p>CR25: Addressed, as per information provided on p.142.</p>

		included in the results framework. Please update the results framework accordingly.	
	8. Does the M&E Framework include a break-down of how implementing entity fees will be utilized in the supervision of the M&E function?	Yes. CR26: Please describe where each of the M&E activities described in Part III D. will be charged in the program budget, fees and costs.	CR 26: Not addressed. Please describe where each of the M&E activities described in Part III D. will be charged in the program budget, fees and costs.
	9. 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?	Yes.	
	10. Is a disbursement schedule with time-bound milestones included?	Yes.	

Technical Summary	<p>The objective of the proposed program is to build coastal resilience to climate change impacts and natural disasters with a particular focus on pro-poor adaptation actions that involve and benefit the most vulnerable communities of the target area. It plans to reach this objective through a combination of hard and soft adaptation measures, distilled along different governance level (national, provincial, city and village level), reflected respectively in each of the four program components. Adaptation interventions will include constructions of embankments, restoration of mangroves, aquaculture activities, renovating eco-tourism infrastructures, and construction of latrines. The program will build capacity of different stakeholders to integrate climate change adaptation into various planning processes.</p> <p>The initial review raised several issues related to the description and relevance of program activities, rationale of the proposed interventions vis-à-vis the identified climate threats, consultation process and compliance with the ESP, among others, as discussed in the number of Clarification Requests (CR) and Corrective Action Request (CAR) raised in the review.</p>
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	<p>The final review finds that the fully-developed proposal document has not addressed most of the requests and does not provided sufficient information at this stage. The following observations are made:</p> <ol style="list-style-type: none"> 1. The ESP assessments for the interventions have not been submitted. 2. The proposal should further demonstrate how the program interventions would meet national legislation regarding Environmental Impact Assessments (EIAs), since program activities do not appear to be “cultivation” activities in substance and are thus not likely to benefit from national EIAs exemptions; 3. The proposal should include evidences of consultations with local communities, financial institutions and land-owners that will be targeted by mangrove restoration activities and demonstrate that the outcomes of such consultations (interests and concerns of stakeholders) are reflected in the design of the interventions; 4. The proposal should provide evidence of local governments’ commitments to maintain and finance the program outcomes (embankments, eco-tourism, latrines, mangroves) after program closure.
Date:	02/14/2019

