



ADAPTATION FUND

AFB/PPRC.31/21/Add.1
13 March 2023

Adaptation Fund Board
Project and Programme Review Committee
Thirty-first Meeting
Bonn, Germany, 22-23 March 2022

Agenda Item 5 g)

PROJECT FORMULATION GRANT FOR INDONESIA (5)

I. Background

1. The Board at its eleventh meeting discussed the document “Funding for Project Formulation Costs” (AFB/11/6) and agreed, in its Decision B.11/18, that:
 - i. project formulation grants (PFG) should be given once a project concept has been approved;
 - ii. consideration should be given in terms of differentiating between NIEs and MIEs, since some NIEs might have financial difficulties in trying to formulate project or programme proposals;
 - iii. a flat rate should be given for project formulation costs;
 - iv. a list of eligible activities and items still needed to be prepared; v. the grant should be additional to the project cost; and
 - v. the fate of funds if the final project document was rejected should be determined.
2. There was consensus that a three-tiered system should be considered for project formulation grants: endorse a project concept with a PFG amount, endorse a project concept without a PFG amount, or reject the project concept.
3. Following the discussion, the Board decided:

“To request the secretariat to reformulate the document, to include a comparison of eligible activities provided by other funds for project formulation grants, to take into account guidance provided by the Board at the present meeting, and to submit the document to the Board at its twelfth meeting, through the EFC. The EFC should review and finalize the process and policy of the project formulation grant focusing, in particular, on: the issue of unspent project funds; the procedures followed by other funds in that regard; and the determination of a flat-rate.”
4. A document was prepared by the secretariat in response to the above mandate and presented at the third EFC meeting, which made specific recommendations to the Board at its twelfth meeting. Having considered the recommendation of the Ethics and Finance Committee, the Board, in its Decision B.12/28, decided that:
 - (a) *Project Formulation Grants (PFGs) will only be made available for projects submitted through NIEs. The Board would continue reviewing the question of PFGs for projects submitted through MIEs and would solicit comments from members and alternate members by February 14, 2011; the views would be compiled by the secretariat for presentation to the Board at its March 2011 meeting;*
 - (b) *If a country required a project formulation grant, a request should be made at the same time as the submission of a project concept to the secretariat. The secretariat will review and forward it to the PPRC for a final recommendation to the Board. A PFG could only be awarded when a project concept was presented and endorsed;*
 - (c) *A PFG form, reproduced in Annex V, should be submitted;*

- (d) Only activities related to country costs would be eligible for PFG funding;*
- (e) A flat rate of up to US\$30,000 shall be provided, inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount. The flat fee would be reviewed by the Board at its thirteenth and all subsequent meetings;*
- (f) If the final project document is rejected, any unused funds shall be returned to the Adaptation Fund Trust Fund;*
- (g) Once a project/programme formulation grant is disbursed, a fully developed project document should come to the Board for approval within 12 months. No additional grants for project preparation can be received by a country until the fully developed project/programme document has been submitted to the Board; and*
- (h) The Trustee was instructed to remove the set-aside of US\$100,000 for project preparation that had been decided at the June 2010 meeting, as project preparation would be approved on a project-by-project basis.*

5. In its twenty-fourth meeting, the Board had initiated steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million and had requested the secretariat to prepare for the consideration of the Board a proposal for such a pilot programme (Decision B.24/30). In its twenty-fifth meeting, the secretariat submitted such document and the Board decided to:

- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) Set a cap of US\$ 30 million for the programme;*
- (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

6. The approved document AFB/B.25/6/Rev.2 contained provisions for the approval of project formulated grants for regional project and programme proposals, at different development stages, as follows:

“It is proposed that the Board open a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts would be very brief proposals of maximum 5 pages that would explain the proposed regional adaptation project/programme. The pre-concepts would be screened and technically reviewed by the secretariat, and subsequently reviewed by the PPRC.

Together with the pre-concept, the proponent could submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board could also approve the Phase I PFG request. The endorsement of the pre-concept would not create an obligation for the Board for later funding. As the next step, the proponent would submit a concept, and with it the proponent could submit a Phase II PFG request. The maximum AFB/PPRC.18/25/Add.1 level of the Phase II PFG would be US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional pre-concept stage. While endorsing the concept, the Board could also approve the Phase II PFG request. The endorsement of the concept would not create an obligation for the Board for later funding, as it is the case for the national projects. The final stage of the proposal process would be the submission of the fully-developed regional project document”.

7. The Board in its thirty-seventh meeting, having considered the recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board decided:

(a) To request the secretariat to analyse the issues related to the use of unidentified sub- projects and present the findings to the PPRC at its twenty-ninth meeting;

(b) To further request the secretariat to clarify regional implementation and execution costs, including where implementing entities provide part or all of the execution services, and present the findings to the PPRC at its twenty-ninth meeting;

(c) To limit, for all projects where the implementing entity provides a portion of the execution services, the execution costs of the implementing entity proportionally to the cost of the part of the project or programme executed by the implementing entity;

(d) To raise the maximum amount of individual project formulation grants available to national implementing entities to US\$ 50,000;

(e) To discontinue project formulation assistance grants for future review cycles.

(Decision B.37/1)

II. The Project Formulation Grant Request

8. This addendum to the document AFB/PPRC.31/21 “Proposal for Indonesia (5)” includes a request for a Project Formulation Grant, requesting a budget of US\$ 50,000, which was received by the secretariat along with the concept for the project AF00000307 “Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara”. This proposal was submitted by Kemitraan – Partnership for Governance Reform (KEMITRAAN), which is the National Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its fortieth Board meeting.

9. In accordance with Decision B.12/28, paragraph (b), the secretariat carried out an initial review of the PFG request and found that the document provided detailed information on the use of the requested funds. The proposed activities were aligned with the goal of the project and would include; Data collection for baseline and analysis for each component; Travel meetings required for data collection and consultation; Expert hiring for proposal writing; Focus Group discussion with stakeholders, etc.

10. Therefore, the PPRC may want to consider and recommend to the Board to approve the PFG Request, provided that the related concept proposal is endorsed.



Project Formulation Grant (PFG)

Submission Date: **February 7, 2023**

Adaptation Fund Project ID:
 Country/ies: **Indonesia**
 Title of Project/Programme: **Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara.**
 Type of IE (NIE/MIE): **NIE**
 Implementing Entity: **Kemitraan – The Partnership for Governance Reform**
 Executing Entity/ies: **Lombok Climate Change Consortium (LC3)**

A. Project Preparation Timeframe

Start date of PFG	1 September 2023
Completion date of PFG	31 August 2024


B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Data collection for baseline and analysis for each component	Collected data required to set up the basis for argument formulation and programme justification in the proposal	\$ 13.793
Travel meetings required for data collection and consultation	Confirmation of assumptions and situation on the ground before programme document finalized	\$ 12.931
Expert hiring for proposal writing	Assist Kemitraan in writing and use of collected baseline data to justify programme and enhance the proposal	\$ 19.655
Focus Group Discussion with Multistakeholders	To receive feedback and input on the Goal, Objective, Outcome and Output of the proposal which to be submitted to AF, so as to ensure it is in line with the national programmes and strategies of climate change adaptation	\$ 3.621
Total Project Formulation Grant		\$ 50.000

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Laode M. Syarif, KEMITRAAN		February 7, 2023	Dewi Rizki	+6221-22780580	dewi.rizki@kemitraan.or.id



**MINISTRY OF ENVIRONMENT AND FORESTRY
DIRECTORATE GENERAL OF CLIMATE CHANGE**

Mangala Wanabakti Building Block VII 12th Floor, Jalan Gatot Subroto – Senayan, Jakarta 10270
Phone +62 21 5730144 Fax. : +62 21 5720194

Website : <http://ditjenppi.menlhk.go.id>

email : tusetditppi@gmail.com;

Our Ref. : *S. 282/PP1/AP1/PP1.0/8/2022*
Attachments :
Subject : **Letter of endorsement**

Jakarta, 5 August 2022

To:
The Adaptation Fund Board
c/o Global Environment Facility
Mail stop: N 7-700
1818 H Street NW
Washington DC 20433, USA

Dear Board Member,

Directorate General of Climate Change Ministry of Environment and Forestry as the National Designated Authority of Adaptation Fund in Indonesia through *Kemitraan* – Partnership for Governance Reform as the National Implementing Entity, have received and appraised 37 incoming concept notes.

After a thorough assessment process of the incoming concept notes, we come to the decision that the following 10 (ten) concept notes from 10 (ten) different organizations have met and are in accordance with the national priorities in the implementation of adaptation programs and activities to increase adaptive capacity and to reduce the impact and risks of climate change in vulnerable regions in Indonesia:

1. Yapeka; *Ecosystem-based Adaptation to Support Climate Resilience in Coastal and Small Islands of Rote Ndao and Sabu Raijua Districts in the Savu Sea*
2. TLKM; *Sustainable Landscape Governance; Towards Climate Resilience of Community in Tempe Lake Ecosystem*
3. KAPASITAS; *Adaptation to climate change through integrated forest management and sericulture business to achieve ecosystem resilience to food security for the Lake Tempe Catchment Area Community*
4. Garis Biru; *Strengthening the Adaptive Capacity of Coastal Village Communities in Supporting Food Security as a Response to Climate Change Through Stakeholder Elaboration Actions in West Sulawesi Province*
5. Sajogyo Institute; *Collaboration for the Conservation of Cimandiri Watershed Landscapes through the Potential of Silvopasture and Community Agroforestry*
6. KOAKSI; *Building Climate Resilient District in Indonesia: Case of Sigi District*
7. KEMITRAAN; *Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara*
8. HUMA; *Change Climate and Adaptation in the Buffer Area of the New National Capital*
9. Mitra Aksi; *Increasing the resilience of smallholders from climate impacts through Smart Agriculture based on Livelihood Diversification in Indonesia*
10. KUAT (KARSA); *Strengthening Community Adaptation toward Climate Change through ProKlim in Ecoregion Neck of Sulawesi Island*

With this consideration, and in my capacity as the National Designated Authority of Adaptation Fund in Indonesia, I recommend the above proposals be granted support from the Adaptation Fund Board. All those programs will be executed by each of the submitting entities under the supervision of *Kemitraan* – Partnership for Governance Reform.

Sincerely Yours,



Laksmi Dhewanthi
Director General of Climate Change
Ministry of Environment and Forestry
as Indonesia Designated Authority of Adaptation Fund

Copy to:
Kemitraan (Partnership Governance Reform in Indonesia)

Annex 5 to OPG Amended in October 2017

Annex 1. Support letter from government of West Nusa Tenggara Province





**PEMERINTAH PROVINSI NUSA TENGGARA BARAT
DINAS KELAUTAN DAN PERIKANAN**

*Jalan Semanggi Nomor 8 Mataram, Kode Pos 83122
Telp: (0370) 531053 Faks: (0370) 822963
Email: dinaskelautan@yodocan.com Website: dinaskelautanprov.go.id*

LETTER OF SUPPORT

Number : *523/156.3.1.07/Klusion, J.2022*

Responding a letter from the Transform organization, a member of the Lombok Climate Change Consortium, for the ideas for tackling rob and its impact in West Lombok Regency, we hereby express our support for the Proposed Program (Concept Note) entitled "Village Based Coastal Adaptation and Resilience in Lombok, Province of West Nusa Tenggara" proposed to the Programme Funding for Adaptation Fund

We consider this activity very important in supporting local government efforts to create community resilience and in the same time improve their livelihood in facing climate change in Province of West Nusa Tenggara.

Thus, we convey this Letter of Support, and we hope that it will become part of the strategic considerations of the proposals submitted to the Programme Funding for Adaptation Fund.

Mataram, 15 July 2022

Head of the Regional Office of Marine and Fisheries
Province of West Nusa Tenggara.

Muslim ST, MSi
Pembina Tk. IVb
NIP: 197606012001121009

Annex 2. Letter of Potential Cofinance Support



PROVINCIAL GOVERNMENT OF WEST NUSA TENGGARA
REGIONAL DEVELOPMENT PLANNING AGENCY (BAPPEDA)
 Address : Jl. Flamboyan No. 2 Mataram Kode Pos 83126, Telepon/Faksimile (0370) 831581
 Email : bappeda@ntbprov.go.id Website : bappeda.ntbprov.go.id

ANNEX: NTB PROVINCIAL GOVERNMENT PROGRAMS IN LINE WITH
 THE PROPOSAL OF ADAPTATION FUND YEAR 2023

No	Name of Program	Activities	Budget (USD)	Leading Sector
1	Marine, coastal and small islands management	Coastal community empowerment	8,887	Marine and Fisheries Office
2	Fisheries and aquaculture management	fish farming techniques, processing and marketing	34,973	Marine and Fisheries Office
3	Development of Tourism Resources and Creative Economy	Implementation of Human Resource Capacity Building in Tourism and Creative Economy	9,130	Tourism office
4	Watershed Management	Application of soil and water conservation techniques	13,220	Environment and Forestry Office
	Amount		66,277	

Head of Bappeda of NTB Province,

Dr. Ir. H. ISWANDI, M.Si.
 NIP. 19651231 199403 1 153



PROVINCIAL GOVERNMENT OF WEST NUSA TENGGARA
REGIONAL DEVELOPMENT PLANNING AGENCY (BAPPEDA)
Address: J. Piantoyan No. 1 Mataram Kode Pos 83126, Telephone/Fax: (0370) 831581
Email: kelemb@bappeda.ntbprov.go.id Website: bappeda.ntbprov.go.id

Mataram, 5 January 2023

Number : 090 / 126 / 01-Bappeda
Attachment : -
Re : Recommendation for Adaptation Fund Batch II 2022 Proposal

Attention to:
The Adaptation Fund Board
Secretariat 1818 H Street NW
MSN N7-700, Washington, D.C., 20433 U.S.A

Dear Sir/Madam,

I hope my letter finds you in a good health and happiness. First of all, I would like to introduce myself, I am Iswandi, I work as the head of the Regional Development Planning Agency (Bappeda) of Nusa Tenggara Barat (NTB) Province, Indonesia. Our development planning trajectories aim to integrate the concept of sustainability for bringing more prosperity for the society in terms of economic, social, and environmental benefits. This will contribute to the global Sustainable Development Goals, especially Goal Number 13 regarding climate change. In doing our actions for mitigation and adaptation of climate change, we work together and form partnership with society, non-government organisations, academics, media, and other institutions.

The government of NTB Province has enacted the Local Regulation Number 2 Year 2021 regarding the Regional Medium-Term Development Plan (RPJMD) Year 2016-2023 of the West Nusa Tenggara Province. This RPJMD act as a guideline for all government departments and non-government organisations in undertaking development programs and activities to achieve the development goals. However, in undertaking development programs, especially climate-related programs, financing is one of the challenges. Therefore, to support climate financing, it is important to have creative and innovate financing that can help all local actors to work together for the benefits of the society.

Further, I have discussed the proposal for climate adaptation fund with Lombok Climate Change Consortium, with the title "Village-Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara". This great idea helps to accelerate the village development and form resilience to reduce the impacts of climate change in the society. This will contribute to reduce the impacts of climate change and promote a sustainable and inclusive development in West Nusa Tenggara Province. Our climate-related development programs are aligned with the Consortium proposal. Further, it will lead to more productive collaboration to achieve the SDGs and society welfare. The list of potential programs and activities for alignment with coastal climate adaptation program is attached in the annex.

In conclusion, I fully support this proposal to receive the grant from Adaptation Fund Batch II. If you have any questions regarding this, I am happy to discuss this further with you, by email kelemb@bappeda.ntbprov.go.id, or +62 811-3940-6000. Thank you very much for your attention and I look forward to more productive collaboration for climate change programs in the near future.

Head of Bappeda of NTB Province,

Dr. Ir. H. ISWANDI, M.Si.
NIP. 19651221 199403 1 153

CC to:
1. Governor of Nusa Tenggara Barat Province;