

# Towards Sustainable and Conversion-Free Aquaculture in Indonesian Seas Large Marine Ecosystem (ISLME)

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10867

**Countries**

Regional (Indonesia, Timor Leste)

**Project Name**

Towards Sustainable and Conversion-Free Aquaculture in Indonesian Seas Large Marine Ecosystem (ISLME)

**Agencies**

ADB

**Date received by PM**

12/9/2022

**Review completed by PM**

2/12/2023

**Program Manager**

Taylor Henshaw

**Focal Area**

International Waters

**Project Type**

FSP

## PIF ☐ CEO Endorsement ☐

### Part I ? Project Information

#### Focal area elements

**1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?**

#### Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes, but please address the following:

(1) The Expected Implementation Start and Expected Completion Date = 63 months. The project duration is noted as 60 months. Please adjust the start and end date accordingly. It is suggested to correct the expected completion date to 09/30/2028 in order to meet the stipulated duration (60 months).

(2) The project will contribute to core indicator 5.2 - LMEs with reduced pollution and hypoxia. Under the Alignment with GEF focal area strategies section, the CEO document notes that the project will contribute to Objective IW 1.3 - Strengthen blue economy opportunities by addressing pollution reduction in marine environments. Please consider whether IW 1.3 should be added to Table A.

(3) Please adjust the front matter (Other Executing Partners) acronym for Ministry of Agriculture and Fisheries (Timor Leste) from "MA" to "MAF".

5th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

## Agency Response

ADB Response 25 April 2023

- 1) Dates have been adjusted to correspond to 60 month implementation
- 2) IW 3 has been added to the Table A, as there will be an element of pollution reduction
- 3) "MAF" adjusted

### **Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

### Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes, but please address the following:

- (1) The expected outputs in Table B for Components 1 and 2 list the country in which the activity will occur (in brackets). The expected outputs for Components 3 and 4 do not list the country. For clarity, please be consistent in presentation.
- (2) Please remove cents from the GEF project financing and co-financing figures in Table B.
- (3) Project Component 4 is mislabeled; it reads as Outcome 3.2. Please revise accordingly (to "Component 4: Improved Market Linkages")
- (4) Please remove M&E from the title of Component 5, as a separate Component 6 includes all M&E related expenses. Please ensure this is also reflected elsewhere in the submission package.

5th of May 2023 (thenshaw):

- (1) Addressed.
- (2) Addressed.
- (3) Addressed.

(4) Not addressed. The Component still reads "Knowledge Management, M&E, and IW: LEARN (regional)". Please remove "M&E". Please include an outcome (not "Monitoring and Evaluation") and divide the listed M&E activities into separate numbered outputs. Please ensure these points are reflected throughout the document.

29th of May 2023 (thenshaw): Addressed.

## Agency Response

ADB Response 25 April 2023

- 1) Country identification has been done for Table B
- 2) Cents have been removed from Table B
- 3) Adjustment to Component 4 on Improved Market Linkages done
- 4) M&E has been removed from Component 5

ADB Response 22 May 2023

A separate component on M&E plan implemented has been included (not clear on what you mean by "not Monitoring and Evaluation"). This has been reflected in the narrative in alternative scenario and the results framework Annex A.

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request N/A

## Agency Response

### Co-financing

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes, but please address the following:

(1) It is expected at CEO Endorsement stage that some in-kind co-financing will be secured. Please note why there is no in-kind co-financing for this project.

(2) Given the role the private sector will play in this project (i.e. Seafood Task Force, Chamber of Commerce, Aquaculture Stewardship Council/fair trade organizations), please explain why no project co-financing from the private sector has been secured.

(3) It is recognized that the MoU for each loan is present in the portal. Please upload a co-financing letter from ADB (in the GEF format) for the two loans.

5th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

#### Agency Response

##### ADB Response 25 April 2023

1) In-kind co-financing has been confirmed. Kindly review the co-financing table and also the support documentation. For the ADB loan, the MMAF contribution of \$ 11, 115,000 is identified (yellow highlight). Please review the approved loan document. BAPPENAS declined to provide any in-kind co-financing letter until they would see how much of the GEF grant would be allocated to them. Based on the last budget version there has been no further communication.

2) Seafood Task Force in-kind co-financing has been confirmed. See support letter attached.

3) An ADB formal memorandum to confirm the loan co-financing has been included. Please note the change in Timor-Leste loan contribution to \$ 8 million (offset by other co-financing)

#### GEF Resource Availability

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request 19th of January 2023

(thenshaw): Yes

Agency Response

**Project Preparation Grant**

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please include footnotes below the Annex C table to explain what each budget line contributed to/will contribute to in project design?

(2) There is still a substantial amount of PPG budget that is committed but has not been spent to date. Please explain below the Annex C table what the committed amounts will be used for, given the project documents are now submitted for endorsement.

(3) The budgeted PPG amount (per Section F) is \$137,615. The Annex C PPG budget reflects \$136,500. Please correct this latter figure to the former and update the Annex C budget table accordingly.

5th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

Agency Response

ADB Response 25 April 2023

1) and 2) Updated ANNEX C is included. Notes on the budget have been provided

3) Figure corrected.

**Core indicators**

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?**

**Secretariat Comment at CEO Endorsement Request**

19th of January 2023 (thenshaw): Yes, but please address following:

- (1) Core Indicator targets need to be aligned with Results Framework (Annex A). GEF Core Indicators must be explicitly mentioned in the Results Framework. Please revise accordingly.
- (2) The paragraph below the core indicators table notes that the assumptions and methods for the core indicator calculations are noted later in the document. Please include these assumptions and methods here in the Core Indicators section so that it is clear how the targets were derived. Please note why core indicator 11 states less females than males benefiting from the project interventions.
- (3) Please add a target for Indicator 7.4: Level of Engagement in [IW:LEARN](#) through participation and delivery of key products.

5th of May 2023 (thenshaw):

- (1) Partly. The Core Indicators explanation indicate 75 tons of GHG emissions mitigated. The Results Framework indicates 750 tons of GHG emissions will be mitigated. And the Core Indicators table indicates 400 tons of GHG emissions mitigated. The accounting duration is also not congruent. Please clarify/correct accordingly, including presenting the calculation here in the review sheet.
- (2) Addressed.
- (3) Addressed.

29th of May 2023 (thenshaw):

- (1) Addressed.

**Agency Response**

ADB Response 25 April 2023

- 1) Core Indicators are now included in Results Framework and correspond to ANNEX A
- 2) Narrative has been included in the appropriate section. Core Indicator 11 on direct beneficiaries has been revised (initial information was from the PIF)
- 3) Target for Indicator 7.4 has been included.

## ADB Response 21 May 2023

The Core Indicator on GHG emissions reduction / avoidance in Timor-Leste has been revised throughout the document.

The Ecosystems Approach to Aquaculture (EAA) will be carried out in six sites. It is expected 50 farmers in each site will complete the training and receive some inputs to establish seaweed beds, equivalent to 50 lines of seaweed each, which totals 6.25ha in each site. Seaweed production will be increased by 37.5ha in all sites. Considering the ?halo? effect of seaweed and better management due to EAA, it is expected 200ha of marine habitat will come under improved practices to benefit biodiversity. Assuming a yield of 10 tons of seaweed (dry weight) per hectare/year, seaweed production on the 37.5ha will be 375 tons. The carbon content of seaweed varies by species but a conservative estimate is that for every 5 tons of dry seaweed produced, 1 ton of carbon is sequestered. This will result in 75 MT of green house gas emissions mitigated per annum - so with duration of accounting for 10 years this amounts to 750 MT.

The scientific references for this calculation are provided in the document and repeated below for reference:

[//www.asc-aqua.org/wp-content/uploads/2021/06/Feed-Standard\\_QA\\_published-15.06.2021-1.pdf](http://www.asc-aqua.org/wp-content/uploads/2021/06/Feed-Standard_QA_published-15.06.2021-1.pdf)

[35] Duarte, C. M., Wu, J., Xiao, X., Bruhn, A., & Krause-Jensen, D. (2017). Can seaweed farming play a role in climate change mitigation and adaptation?. *Frontiers in Marine Science*, 4, 100. <https://www.frontiersin.org/articles/10.3389/fmars.2017.00100/full>

[36] World Bank Group. Seaweed Aquaculture for Food Security, Income Generation and Environmental Health. <https://documents1.worldbank.org/curated/en/947831469090666344/pdf/107147-WP-REVISED-Seaweed-Aquaculture-Web.pdf>

## **Part II ? Project Justification**

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

### **Secretariat Comment at CEO Endorsement Request**

19th of January 2023 (thenshaw): Partly.

(1) This is a regional project with global environmental benefits targeted within one large marine ecosystem. Please more explicitly explain the problems, root causes and barriers through the ISLME lens, in addition to the country lens. Please better articulate why this is an international waters project.



18th of May 2023 (thenshaw): Partly addressed. The Theory of Change diagram in the portal (in the Alternative Scenario section) is not legible and is cut off. Please upload complete/high resolution version, if possible.

29th of May 2023 (thenshaw): Addressed.

## Agency Response

### ADB Response 25 April 2023

Discussion on ISLME has been included in the narrative, particularly the inclusion of the overarching ISLME Theory of Change and how it relates to this project.

### ADB Response 21 May 2023

This is tricky. We have presented the Big TOC for the ISLME which is being used by FAO in the Roadmap. It is a large Excel spreadsheet. We have taken that Big TOC and cut out the section relevant to this project - and inserted this into the CER narrative alternative scenario preamble. So the TOC for this GEF project 10867 is 'nested' within the larger ISLME TOC. We have reproduced the image as best possible and hope it will be sufficiently legible. Looks ok on our side.

## **2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes, but please address the following:

(1) The baseline section notes that the Blue Horizon project (GEF ID 10573) is in development. The Blue Horizon project was approved for implementation in July 2022. Please review that project's CEO Endorsement Document to ensure project alignment is still true (i.e., re: Expected Output 3.1.1 - Quantification of ES through methodologies developed by the GEF 7 Blue Horizons Seaweed Project...).

18th of May 2023 (thenshaw): Addressed.

## Agency Response

### ADB Response 25 April 2023

We have consulted WWF on this matter. As a result Output 3.1.1 is better aligned.

Green carbon credit payments for forestry have already been initiated in Timor-Leste and there is now interest in extending to include blue carbon credits for seaweed, sea grass and mangrove. Local Foundations such as One Seed and COTI are facilitating the brokerage of forestry carbon credits in Timor-Leste. Partnerships will be sought with these local Foundations to facilitate ecosystem payments to seaweed farmers which could also be expanded to managing mangrove and seagrass beds under EAA and Marine Management Plans

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion

19th of January 2023 (thenshaw): Partly.

(1) Please clearly utilize headings and avoid repetition. The heading presentation makes this section difficult to follow.

(2) There are theory of change diagrams for the Indonesia intervention and the Timor Leste intervention. Please include a regional theory of change figure and explanation that depicts how the sum of the Indonesia and Timor Leste interventions lead to GEBs in the ISLME and beyond. Please include assumptions in the theory of change diagrams. Please see STAP comment: "It is fine to show the country-level ToCs but ideally these should align with a ToC for the overall project investment."

(3) Please reformat the Changes to PIF table so it is readable. (Please footnote links).

(4) Please clarify what is meant by "GEF Activities Supported". Is the GEF financing not supporting to specific delivery of each output listed in this section? Please consider rolling these explanations, which are quite vague, into the activity descriptions of each output to help avoid confusion. Please also specify exactly what will be delivered. "Workshops, meetings, conference participation" is too vague and must be quantified.

(5) Under each output in this alternative scenario section, please clearly identify, at the very end of the output description, which executing partner will be responsible for the output. The reviewer understands that BAPPENAS will be responsible for policy activities only and MMAF will be responsible for technical activities only. Per executing partner mandate, there should be no overlap.

(6) Throughout this section, please adjust output description language from "should" and "would" to "will" to avoid vagueness and ensure clarity in deliverables.

(7) Output 1.1.2 (and a summary description) is duplicated in this section. Please revise accordingly.

(8) Outcome 4.2 is misplaced, as it follows Outcome 2.1. Please revise accordingly.

(9) Under Output 3.2.1, the EAA will be demonstrated in six pilot sites where such an approach is a priority. Please describe where these pilot sites are located and/or the approach taken to determine the pilot sites. Please also outline the demonstration approach (how this will be done).

(10) Please better detail the project activities in Timor Leste under Outcomes 3.1 and 3.2.

(11) Under Component 5, please note that 1% of GEF financing for this project will be dedicated to [IW:LEARN](#) activities.

(12) Given the cutting edge nature of this work, please consider whether this project can support research and development into alternative feed sources. Please consider such an activity, and revising Output 2.1.4 accordingly.

\*In summary, please carefully recast this section to ensure clarity and specificity in terms of what the project will deliver and which executing partner is responsible for each deliverable. Please quantify each deliverable. Where pilot sites are noted, please explain how the sites were/will be selected.

18th of May 2023 (thenshaw):

(1) Addressed.

(2) Partly addressed. The Theory of Change diagram in the portal is not legible and is cut off. Please upload complete/high resolution version, if possible.

(3) Addressed.

(4) Addressed.

(5) Addressed.

(6) Addressed.

(7) Partly addressed. Some duplication remains. Please revise accordingly.

(8) Addressed.

(9) Addressed.

(10) Addressed.

(11) Addressed.

(12) Addressed.

29th of May 2023 (thenshaw):

(2) Addressed.

(7) Addressed.

## Agency Response

### ADB Response 25 April 2023

- 1) Headings have been adjusted for flow and consistency
- 2) The ISLME TOC is quite complex. Based on consultations with the ISLME project management we have integrated / nested/ highlighted elements of the GEF ID 10867 within the overall LME level TOC, and included assumptions in the TOC diagrams for the overall ISLME
- 3) Reformatted as requested.
- 4) Given the challenges we have had in budget preparation for Indonesia, we thought it would be helpful to include explanations are to clearly delineate how the GEF funds will be used, and are linked to the costing and budgeting. However to avoid confusion and possible misallocation, these sections have been removed.
- 5) We have indicated which Executing Partner will be leading the various outputs - in the narrative. There is a colour coding in the project budget which shows the GEF allocations for each Indonesia EA.
- 6) We have done a thorough "scrubbing" of would and should in the document.
- 7) Output 1.1.2 duplication is removed
- 8) Outcome 4.2 has been moved to the appropriate section
- 9) The EAA demonstration approach in Timor-Leste has been described
- 10) Outcomes 3.1 and 3.2 have been updated.
- 11) The 1% financing for [IW:LEARN](#) is acknowledged and budgeted
- 12) This pilot has been re-designed accordingly.

### ADB Response 23 May 2023

(2) We have tidied up the image for the big ISLME TOC.

(7) Duplication has been eliminated.

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

Agency Response

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please include a description of the incremental cost reasoning through the regional (ISLME) lens.

(2) Please note what will likely happen without the GEF increment.

18th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

Agency Response

ADB Response 25 April 2023

There is now additional narrative in the incremental cost section.

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please note in this section that 400 expected metric tons of CO<sub>2</sub>e is mitigated (per the GEF Core Indicator target). The GEB per this indicator is presented as 7.5 mt in this section. Please revise accordingly.

18th of May 2023 (thenshaw): There is still a discrepancy between the Core Indicator and the mt figure expressed elsewhere in the document. Please revise.

29th of May 2023 (thenshaw): Addressed.

Agency Response

ADB Response 25 April 2023

Updated 7.5 mt CO<sub>2</sub>e per annum. This would be 750 mt over 10 years of accounting duration.

ADB Response 23 May 2023

The accounting has been clarified throughout the narrative and also above in this review sheet. 75MT per annum (not 7.5) x 10 years of accounting duration.

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) This section is an exact replication of the PIF. Please describe how the project, from a concluding PPG perspective, is innovative and sustainable and can be scaled up.

18th of May 2023 (thenshaw): Addressed.

Agency Response

ADB Response 25 April 2023

The section on innovation, sustainability and scaling up has been updated.

#### **Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

Agency Response

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) For role civil society will play in the project, multiple roles are checked, including "Consulted only". "Consulted only" should not be checked if civil society is playing a larger role. Please clarify and further explain.

(2) The section notes that "A series of stakeholder consultations were conducted between 01 December 2020 and 11 October 2021. A listing of these is provided below". It is not clear where this listing sits. Please clarify.

18th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

## Agency Response

ADB Response 25 April 2023

1) In Indonesia, civil society will be participate as subcontractors or implementation partners to build on and complement any existing or planned work in this space for Indonesia (cannot identify specifically as this will be subject to procurement policies and processes) For Timor-Leste local NGOs will be considered for the provision of farmer training on improved seaweed production skills and facilitating blue carbon credits. There are at least two local NGOs experienced in facilitating farmer groups to access the carbon credit market

2) Updated: "A series of stakeholder consultations were conducted between 01 December 2020 and 11 October 2021. A listing of these is provided in **Table 4.**"

## Gender Equality and Women's Empowerment

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) The section states "During project preparation, a more detailed gender assessment will be prepared specific to seaweed and shrimp value chains in Timor-Leste and Indonesia respectively". Please clarify. Has this already been done in PPG?

(2) The section states: "During project preparation, there will be a number of factors to consider to take steps in closing gender gaps and promoting access to, and control over resources (natural, physical, financial, etc.) for women. Has this already been done in PPG?"

These two sentences appear to be copied from the PIF document. And much of this section is copied from the PIF document. Please clarify whether the detailed gender assessment was



carried out and whether the "factors" were considered to close gender gaps. Please include a summary of the gender analysis in this section.

(3) Please include the gender actions (noted in the Gender Action Plan) in the alternative scenario section, under their respective project outputs.

18th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

#### Agency Response

ADB Response 25 April 2023

1) and 2) The gender section has been updated to reflect PPG actions

3) Gender targets are included in the Results Framework Table B and Annex A (Design and Monitoring Framework)

#### Private Sector Engagement

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

#### Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

(1) Please clearly present headings in this section and elsewhere. For example, stakeholders in Indonesia does not fall under a sub-heading and stakeholders in Timor Leste fall under the heading "Traders"

18th of May 2023 (thenshaw): Partly addressed. Please add heading for Indonesia section

29th of May 2023 (thenshaw): Addressed.

#### Agency Response

ADB Response 25 April 2023

1) Headings have been re-formatted.

ADB Response 23 May 2023

Indonesia heading now included

**Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) The Covid-19 risk and opportunities analysis includes sufficient discussion of the opportunities but not the risks to the project (and counter measures). Please revise accordingly.

18th of May 2023 (thenshaw): Addressed.

Agency Response

ADB Response 25 April 2023

1) The risk mitigation table has been updated.

**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please ensure the coordination section (and GEF budget table) for the Indonesia intervention reflects the mandate and expertise of each executing partner and their network of support in and around the various sites where loan activities will be implemented. The reviewer's understanding is that BAPPENAS will be responsible for delivering the policy-related activities and MMAF will be responsible for delivering the technical activities (as agreed at PIF stage). Please reconfigure the table in this coordination section to clearly note

which executing partner is responsible for which project output. The current format is too vague.

(2) Please describe the role of the Ministry of Finance (Timor Leste) in this project. The Ministry is included in the coordination schematic but there is no description of its function to the project. Please include executing partner acronyms in the coordination schematic.

(3) Please describe the composition of the project management unit(s)

18th of May 2023 (thenshaw):

(1) Addressed, assuming this is the most current budget and has been agreed on by all proponents. Please confirm.

(2) Addressed.

(3) Addressed.

This paragraph is included twice in this section. Please remove the duplication.

The Ministry of Finance was included at the request of the Government of Timor-Leste. For all donor funded projects the Ministry of Finance is the signatory for any agreements. The MOF then delegates implementation to the relevant ministry, which in this case is MAF. The inclusion of MOF in the PCS is offered in courtesy should they wish to participate. Funds have been allocated to recruit a Project Coordinator to work within MAF and manage the day-to-day management of the project.

29th of May 2023 (thenshaw): Addressed.

## Agency Response

### ADB Response 26 April 2023

1) For Indonesia the coordination table from the PIF has been removed as the Government formatted version is not synchronous with GEF format and leads to some confusion. ADB provided an accounting specialist to work with BAPPENAS and MMAF to try to develop an agreeable budget. All the parties had a meeting on 17 April 2023 to review the budget. At the end of the meeting ADB was not satisfied that the review comments from the GEF Secretariat had been satisfactorily addressed - and ADB was of the opinion that based on the 17 April 2023 budget, the technical objectives of the project (for Indonesia) would not be met. As such ADB requested its Country Director for Indonesia to respond to an earlier BAPPENAS letter on the budget allocations. The ADB team, based in part from supportive comments from MMAF, made adjustments to the budget by adding some key technical specialists and re-distributing some of the funds to the EA which should have the mandate to lead/ carry out the work. Workshop costs were reduced. This was done in order to increase confidence that

the project would be delivered from a technical standpoint. The revised project budget was shared with BAPPENAS and MMAF with a view to submission to GEF on 26 April 2023. No comments have been received as yet. GEF will note that the revised budget provides a colour coding which shows the allocations to BAPPENAS and MMAF for ease of reference.

2) A note is provided on MOF in Timor-Leste. This inclusion was a formal request from the MAF.

3) Notes on the PMUs has been provided in the coordination section, with breakdown in the project budget.

#### ADB Response 23 May 2023

Duplication addressed.

A revised budget has been submitted. The main change is the transfer of an international Senior Technical Advisor from BAPPENAS to MMAF (at the request of BAPPENAS in a formal communication to ADB). There is a 'colour-coding' introduced to address the split of the funds across EAs in Indonesia.

#### **Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

#### **Agency Response**

##### **Knowledge Management**

**Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) The knowledge management approach outlined does not include a timeline and budget for each KM output. Please provide a timeline for implementing listed knowledge management and communication activities/products and also elaborate on the project's Communications Strategy, including dissemination of KM products.

(2) Please add (a) how existing lessons informed the project concept and plan; (b) plans to learn from ongoing relevant projects and activities; (c) proposed tools and methods for knowledge exchange, learning and collaboration; (d) a discussion on how knowledge and learning will contribute to overall project impact and sustainability.

(3) Please note that 1% of GEF financing will be utilized for [IW:LEARN-related](#) activities

18th of May 2023 (thenshaw):

(1) Partly addressed. The timeline and budget are still missing. Please revise the table to include two additional columns, one for budget and one for timeline. Further, the text on the Communication Strategy could be strengthened. Can anything be added?

(2) Addressed.

(3) Addressed.

29th of May 2023 (thenshaw):

(1) Addressed.

## Agency Response

### ADB Response 26 April 2023

1) A table on knowledge management milestones has been included in the appropriate section

2) Discussion has been provided in the relevant section

3) this has been noted and budget has been allocated for [IW:LEARN](#) - in fact it could be over 1%. (Output 5.1.1)

### ADB Response 23 May 2023

The KM strategy now included provisional budget allocations with estimated timelines.

## Environmental and Social Safeguard (ESS)

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

Agency Response

**Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

- (1) Please clarify what "Included in the GEF implementation activities" means. Each M&E output should have a budget figure assigned to it.
- (2) The M&E budget in Table B is \$50,000. The M&E budget plan table in Section 9 reflects a total budget of \$75,000. Please reconcile the two. M&E should be \$50,000 per the GEF Budget Table in Annex E. Please adjust MTR and TE budgets to accommodate other M&E outputs in this costed M&E table.
- (3) Please consider rephrasing the TE start date, which reads as "anywhere from 6 months before technical completion to 6 months after technical completion", to start before the end of technical completion.

18th of May 2023 (thenshaw):

- (1) Not addressed. Several line items still include "Included in the GEF implementation activities" . Please address. Each M&E activity should be mapped to a budget amount.
- (2) Addressed. But please confirm that this will be one terminal evaluation. The \$65,000 still seems high. Please briefly describe here in the review sheet why the TE cost is so much higher than other FSPs.
- (3) Addressed.

29th of May 2023 (thenshaw):

- (1) Addressed.

(2) Addressed.

## Agency Response

ADB Response 26 April 2023

- 1) The phrase "GEF implementation activities" has been removed.
- 2) The M&E budget has been revised to \$ 100,000. This was deemed important for a two country project of this complexity.
- 3) Re-phrased.

ADB Response 23 May 2023

M&E plan and budget has been amended.

With respect to the Terminal Evaluation (yes, only one covering the entire project) - we believe that \$ 65,000 is appropriate and not too high. Based on our understanding of the M&E Policy, substantial funds need to be committed. The policy states:

"The cost of monitoring and evaluating activities depends on project characteristics, however past trends can inform Agencies' M&E budget preparation. An analysis of GEF-6 projects indicates that M&E budgets amount to, on average:

? 5% of the GEF-funded part of project financing for projects up to USD 5 million

When designing M&E budgets, GEF agencies should take into account the key elements that have implications on M&E costs. Project determinants guiding the preparation of the M&E budget include the project size, the number and remoteness of project locations, M&E capacity strengthening required and type of results to monitor."

The STAP review confirms that this is a "highly innovative (and suitably high risk) project". As such we want to make sure that rigorous TER is conducted to be able to capture the very specialized nature of the work - two countries, two commodity value chains - and some complicated institutional arrangements at project level, but also at the LME level.

It is possible that one specialist may not be sufficient; and furthermore, we need to factor in travel costs, as this is likely to be an international specialist(s).

## Benefits

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes, but please address the following:

(1) "At the same time, the project is expected to considerably reduce ?trash fish? entering the shrimp feed supply chain as shrimp aquaculture grows in Indonesia" is placed under Timor Leste benefits. Please move this to the Indonesia sub-heading.

18th of May 2023 (thenshaw): Addressed.

## Agency Response

ADB Response 26 April 2023

1) Adjustment made.

## Annexes

**Are all the required annexes attached and adequately responded to?**

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): No, please address the following:

(1) Please reconfigure the GEF budget table for the Indonesia intervention to reflect the mandate and expertise of each executing partner and their network of support in and around the various sites where loan activities will be implemented. The reviewer's understanding is that BAPPENAS will be responsible for delivering the policy-related activities and MMAF will be responsible for delivering the technical activities.

(2) To deliver on the GEF Core Indicator targets through substantive actions on the ground, studies, meetings, and workshops need to be strategic and kept to a minimum. Please ensure this reconfigured budget follows what was agreed to at PIF stage in terms of strategic planning and knowledge actions vs technical and on the ground actions. In this context, please describe in the review sheet how the PIF (and the PIF review sheet responses) has been adhered to and where it has not.

(3) Please paste a screenshot of the reconfigured GEF budget table into the portal rather than pasting a table from Word. The latter is difficult to read and runs outside the portal margins.

(4) There is one item line for US\$112,920 that is unaccounted for. Please include information on what these funds will be used for.

18th of May 2023 (thenshaw):

(1) Addressed.



(2) Addressed.

(3) Addressed.

(4) Please explain where this \$112,920 was absorbed. The figure is no longer present in the budget table.

29th of May 2023 (thenshaw):

(4) Addressed.

#### Agency Response

##### ADB Response 26 April 2023

1) Please refer to explanatory note above> The budget table has been re-configured with colour coding to show the respective allocations to MMAF and BAPPENAS.

2) Please see explanatory note above. Efforts have been made to rationalize workshops etc.

3) Hopefully the budget table is readable.

4) This is addressed through the revised budget table

##### ADB Response 23 May 2023

(4) The initial allocation of \$ 112,920 was under Outcome 4.2 workshops, training etc. This amount was revised and re-distributed across the two EAs in Indonesia - yet still absorbed under Outcome 4.2.

#### **Project Results Framework**

#### Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please ensure the various targets in the results framework that pertain to the GEF Core Indicators add up to the figures presented in the Core Indicator section. In other words, please ensure the GEF Core Indicator targets are represented in the results framework. A full calculation here in the review sheet would be helpful.

18th of May 2023 (thenshaw): Party addressed. The Core Indicator table still shows 400 mt

## Indicator 6 Greenhouse Gas Emissions Mitigated ⓘ

Total Target Benefit	(At PIF)	(At CEO Endorsement)
Expected metric tons of CO <sub>2</sub> e (direct)	400	400
Expected metric tons of CO <sub>2</sub> e (indirect)	0	0

Please also adjust the duration for the calculation, as necessary.

29th of May 2023 (thenshaw): Addressed.

### Agency Response

ADB Response 26 April 2023

1) the results framework (Front end) and ANNEX A have been aligned. Core Indicator calculations have been explained in the Core Indicator section as well as the GEB section.

ADB Response 23 May 2023

Core Indicator 6 has been adjusted to 750 MT as per the explanation above and in the narrative of the CER.

### GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request None

### Agency Response

#### Council comments

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) It seems that one comment from Canada was not included in the table of comments. Please include the last paragraph provided by Tom Bui and include a response to this comment.

18th of May 2023 (thenshaw): Addressed. But please move the comment from column 1 to column 2 and move part of the response, which sits in column 2, into column 3 "Response".

29th of May 2023 (thenshaw): Addressed.

## Agency Response

ADB Response 26 April 2023

1) Tom's comment has been addressed.

ADB Response 23 May 2023

the table has been adjusted accordingly

## STAP comments

## Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Partly, please address the following:

(1) Please respond to STAP comment on gender equality and women's empowerment

(2) Please respond to STAP comment: "The points of integration need further development".

(3) Please respond to STAP comment: "It is fine to show the country-level ToC's but ideally these should align with a ToC for the overall project investment. This comments aligns with the reviewer comment earlier in the review sheet. Please include this overall ToC in the alternative scenario and explain the ToC pathways for the overall project investment

18th of May 2023 (thenshaw):

(1) Please include the referenced text in the response table itself, rather than referring the reader to a section of the document.

(2) Please include the referenced text in the response table itself, rather than referring the reader to a section of the document.

(3) Please include the referenced text in the response table itself. rather than referring the reader to a section of the document.

29th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

#### Agency Response

ADB Response 26 April 2023

1) and 2) the gender equality section has been updated in the CER narrative.

3) There is now a section on linkages with overarching ISLME TOC etc.

ADB Response 23 May 2023

the STAP review and response table has been expanded with additional explanatory narrative.

#### **Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request None

#### Agency Response

#### **Other Agencies comments**

Secretariat Comment at CEO Endorsement Request None

#### Agency Response

#### **CSOs comments**

Secretariat Comment at CEO Endorsement Request None

#### Agency Response

#### **Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): As noted above: Partly, please address the following:

(1) Please include footnotes below the Annex C table to explain what each budget line contributed to/will contribute to in project design?

(2) There is still a substantial amount of PPG budget that is committed but has not been spent to date. Please explain below the Annex C table what the committed amounts will be used for, given the project documents are now submitted for endorsement.

(3) The budgeted PPG amount (per Section F) is \$137,615. The Annex C PPG budget reflects \$136,500. Please correct this latter figure to the former and update the Annex C budget table accordingly.

18th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

#### Agency Response

ADB Response 26 April 2023

!) 2) and 3) The PPG Utilization section has been updated / revised.

#### **Project maps and coordinates**

#### Secretariat Comment at CEO Endorsement Request

19th of January 2023 (thenshaw): Yes

(1) Please label map one "Indonesian Seas Large Marine Ecosystem"

18th of May 2023 (thenshaw): Addressed.

#### Agency Response

ADB Response 26 April 2023

1) Done,

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

#### Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

17th of February 2023 (thenshaw): No, please address above comments and resubmit. Thank you.

18th of May 2023 (thenshaw): No, please address above comments and resubmit. Thank you.

Once final comments have been addressed, please remove all green-highlighted text in the submission.

29th of May 2023 (thenshaw): No, please address the following and resubmit. Thank you.

30th of May 2023 (thenshaw): Yes

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>2/17/2023</b>	
<b>Additional Review (as necessary)</b>	<b>5/18/2023</b>	
<b>Additional Review (as necessary)</b>	<b>5/29/2023</b>	
<b>Additional Review (as necessary)</b>	<b>5/30/2023</b>	
<b>Additional Review (as necessary)</b>		

**CEO Recommendation****Brief reasoning for CEO Recommendations**