

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

Basic Information

GEF ID

10867

Countries

Regional (Indonesia, Timor Leste)

Project Title

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

GEF Agency(ies)

ADB

Agency ID

GEF Focal Area(s)

International Waters

Program Manager

Steffen Hansen

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21):

Yes, however, please add. IW obj 1.2 (Catalyze sustainable fisheries management) and ensure alignment between the PIF table A section and the PIF section titled Alignment with GEF focal area and/or Impact Program strategies.

SH (10.13.21): cleared.

Agency Response

ADB Response 11 October 2021

This has been done as requested.

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Please address the below

- Table B Component 1: Please reduce the overall amount specific to this component. \$800,000 (Indonesia activity) is too high considering the nature and scope of the planned activity.

SH (10.13.21): cleared.

- Table B output 4.1.4: please double check and refine the formulation of the output.

SH (10.13.21): cleared.

- Output 3.1.3: Policy and Regulatory gap framework: Please be clear if the gap analysis will lead to concrete recommendations specific to policy and regulatory reforms presented for adoption?

SH (10.13.21): cleared.

- Please consider if output 3.1.1 could facilitate innovative conceptual frameworks specific to new ways of conducting PES schemes, including as part of nature positive economic activities within MPAs? If yes, please explore co-financing opportunities during PPG and note that there are examples from Costa Rica and elsewhere specific to such synergies, while there might also be potential for synergies with the UNEP/Grid Arendal Blue Forest project.

SH (10.13.21): cleared.

- Outputs descriptions: Several Output descriptions constitute a description of the expected progress upon completion of the output. Please also ensure that all output descriptions contain a minimal level of detail specific to the expected activities undertaken and/or products produced during execution.

SH (10.13.21): cleared.

- In the PIF, please reflect on the potential role of the Seafood Task Force, the aquaculture feed producers etc. in advancing product innovation and subsequent market penetration of seaweed derived products?

SH (10.13.21): cleared.

- Specific to the suggested seaweed activities and quantification of ecosystem benefits and social licensing. Please be a bit clearer on what will be investigated in close cooperation with the Blue Horizon project. E.g. will the planned activities attempt to document the extent that offshore seaweed cultivation may/may not: 1) Support the traditional fishing industry by creating habitat for a variety of marine life and organisms –thereby increasing fish stocks 2) Improve the health of the marine environment by reducing the amount of excess nutrients in the water 3) capturing Carbon dioxide 4) encourage economic development and diversification in the local community by creating sustainable and forward-thinking jobs 5) provide a regenerative input for a variety of industry products (i.e. animal feed, textiles, bioplastics etc.). In this respect, a long term sustainable sector plan may enable the transfer of not only excess labor, but equipment and knowledge from the fisheries sector and with reduced pressure on wild fisheries as a direct result. Please reflect on such potential dynamics and confirm that the activities will engage the commercial fishing community to ensure that selected activities reduce any negative impact to existing marine industry operations, while amplifying positive synergies.

SH (10.13.21): cleared.

- Please read through the PIF and delete duplicate text sections and headings.

SH (10.13.21): Not cleared. Output 1.2.1 features twice in the PIF, while the table C description also include duplicate text pieces. Please address.

- On the PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 5.0%, for a co-financing of \$124,500,000 the expected contribution to PMC must be around \$6,225,000 instead of \$1,200,000. As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion. A more definitive estimation of PMC will be presented and adjusted at CEO Endorsement stage.

SH (10.13.21): cleared.

SH (10.13.21): Please address the below two comments:

- On Table B: Please include project outcomes and project outputs for the Component M&E.

SH (10.21.21): Cleared.

- On Table D and E: while this project includes 2 countries, this is a regional project. Hence only 1 line should be stipulated in both Tables

SH (10.21.21): Cleared.

- Please annex high quality versions of the two ToC figures.

SH (10.21.21): Cleared.

Agency Response

ADB Response 21 October 2021

Re: Output 1.2.1 - we are not seeing any duplication on our side of the Portal in Table C and in the Alternative Scenario section.

Re: Table B - outcome and outputs have been indicated for the M&E Component

Re Tables D and E - revisions done.

Re TOC images - updated higher res figures have been inserted

ADB Response 11 October 2021

1. There was considerable pushback from the GEF EA on reducing this amount. ADB suggested \$ 500K and offered to offset the additional \$ 300K from the associated ADB loan. However the GEF EA wanted to retain the \$ 800K grant from GEF. In the end we have allocated \$ 500K for Output 1.1.1 and 1.1.2, shifted \$ 200K to Output 2.1.3, and \$ 100K to Output 4.2.2 (which have each been revised as you will see).
2. 4.1.4 has been revised
3. Output 3.1.3 has been refined accordingly
4. Output 3.1.1 has been elaborated accordingly
5. Role and relevance of the Seafood Task Force was further discussed with Government on 11 October 2021. The narrative has been amended to provide more clarity.
6. The sections on seaweed sector in the pre-amble (justification) and the Alternative Scenario have been considered and revised taking into account the GEF Sec advice.
7. Duplicate sections, to the extent possible, have been eliminated.
8. PMC for co-financing has been adjusted.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Please address the below comment:

Investment Mobilized table C description: Specific to this project the ADB loans constitutes the project investment mobilized. Please

expand the table C description of the loans and for the reader to understand the nature of the ADB finance and the subsequent synergy with the expected GEF finance.

SH (10.13.21): cleared.

Agency Response

ADB Response 11 October 2021

The loan description has been amended and shifted just under Table C.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion SH (1.10.21): Cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion SH (1.10.21): Cleared.

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion SH (1.10.21): Cleared.

Agency Response

Core indicators

**6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines?
(GEF/C.54/11/Rev.01)**

Secretariat Comment at PIF/Work Program Inclusion SH (1.10.21): Cleared.

Agency Response

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion SH (10.1.21): Yes, cleared.

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Overall yes, a substantial description has been added specific to root causes and barriers. However, please address the below points:

- The PIF states that “Fisheries in the ISLME are under threat and over-exploitation of these fish”. In the PIF, please include additional info that substantiates this statement.

SH (10.13.21): cleared.

- Please clarify if this project will help validate the feasibility of semi offshore production modalities? Also, will the project aim to identify suitable offshore areas for cultivation as part of long term sector planning? While a gradual move towards occupying promising offshore production areas poses challenges, it may also allow the sector a long-term growth trajectory without facing barriers specific to near shore competition for space and expected increases in climate and disease risk specific to expected warming temperatures. Such aspects may be captured better in the root causes and barriers section.

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

1. Additional information has been provided in the project justification section
2. The root causes and barriers section for seaweed aquaculture has been adjusted to reflect these concerns.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Yes, the baseline scenario is well described and contains a detailed list of global/regional initiatives that will act as important enablers for this project to advance its objectives. Cleared.

Agency Response

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Please address the below points:

- While much relevant information is included, please consider some light restructuring of the Indonesia section by focusing on the complex issues addressed by this project, the subsequent GEF financed activities, and the critical links to the ADB loan finance, the seafood taskforce mandate etc. Please note that the table C description box may be a better suited place to provide a detailed description of the ADB loan components and outputs.

SH (10.13.21): Cleared.

- There is a lack of alignment between the sub-heading “WWF/GEF Project – Philippines, Viet Nam” and the subsequent heading description.

SH (10.13.21): Cleared.

- Currently the Indonesia and Timor Leste activities are coined as two separate projects. This framing defeats the purpose of a regional project and with regional KM sharing specific to the issues at hand. Please consider referencing these activities as “country specific activities” under the umbrella of the GEF regional project. Also, while the ToC figures provided on shrimp and seaweed interventions are highly informative, in the narrative section specific to each figure please introduce text that shows how linkages/KM sharing will be secured between activities in the two countries. This may be especially relevant considering Indonesia’s substantial seaweed sector and potential for KM exchange across both public and private spheres.

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

1. This has been done.

2. The sub-heading and narrative on WWF/GEF project has been adjusted

3. This is noted. A new output which will focus on regional knowledge sharing across LMEs and regional seas programmes has been included. Further, there will be sharing between Timor Leste and Indonesia on seaweed aquaculture experience - in context of ISLME regional coordination.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21):

In the Alignment with GEF focal area and/or Impact Program strategies PIF section, please include text that showcases the direct links to the PEMSEA regional framework and country endorsed strategies, while also making clear the linkages to the ongoing TDA/SAP process specific to the ISLME. Please also be explicit and mention how the project aligns with the IW Objective IW-1-1 and its ambition to stimulate private sector engagement, through relevant industry sectoral roundtables and industry groups and IW 1-2 and its ambition to stimulate standard setting for sustainable aquaculture to enhance marine ecosystem health and improving food security.

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

The collaboration with PEMSEA has been elaborated in several sections of the document. Further, based on consultations with, FAO, the MAF and MMAF as well as FAO, the links with the TDA/SAP process will be facilitated.

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21):

While a through description has been added, please add concise language (possibly via bullet points) specific to how the chosen approach,

and GEF's role herein, is considered a prerequisite towards intruding sustainably into the aquaculture sector and overcoming current baseline conditions, including via the involvement of relevant retail/ industry groups etc.

SH (10.13.21.): Cleared.

Agency Response

ADB Response 12 October 2021

The incremental cost reasoning section has been adjusted with additional narrative.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): This is a highly innovative project, which, amongst other activities, will attempt to disrupt the current status quo specific to Indonesian feed scrimp supply chains. The project will provide needed methodologies and evidence specific to Fisheries brought under improved management practices. At this stage the estimated GEB target contributions are acceptable. Cleared.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): This project is attempting a coupling of ADB loans, their leverage specific to government policy reforms, and whilst bringing to the table substantial private sector leverage and in an attempt to 1) address a sweep of entrenched problems specific to the tracking of feed in the aquaculture sector and 2) secure advancements in nature positive seaweed aquaculture value chains. As such the project contains a high degree of complexity and innovation. While ADB loans and policy reforms contribute towards sustainability, the long term project

impact is dependent on successful market leverage to advance more sustainable practices and ramp up nature positive value chains.

Agency Response

ADB Response 12 October 2021

We could not agree more, and look forward to this exciting opportunity to make a difference.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.13.21): Yes, cleared.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): A sufficient description has been provided. Cleared.

SH (10.13.21): Please address the below comment:

It is well noted that the project includes information on the expected roles and responsibilities on key stakeholders in the project preparation. The submission, however, does not provide any information on any stakeholder consultations that have been carried out to inform/guide the preparation of the PIF. Please provide information on the stakeholder consultations conducted to inform the PIF.

SH (10.21.21): Cleared.

Agency Response

ADB Response 21 October 2021

More information on stakeholder consultations during PIF preparation has been included.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): A sufficient description has been provided. Cleared.

SH (10.13.21): Please address the below comment:

It is well noted that this submission includes good considerations on gender dimension related to the project objectives and activities. It is however unclear how this project would contribute to closing gender gaps related to access to and control over natural resources as indicated in the portal. Please provide further information on any planned activities or outcomes that would suggest that this project would or could contribute to closing this important gender gap.

SH (10.21.21): Cleared.

Agency Response

ADB Response 21 October 2021

Additional narrative has been included in the gender section which pertains to closing gender gaps related to access to and control over resources.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Please address the below two points:

Please provide additional information specific to the STF structure, it's members, endorsed strategies specific to conversion and IUU free aquaculture value chains etc.

SH (10.13.21): Cleared.

Please explain if the STF is expected to provide co-finance to show buy-in towards the project objective?

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

Information on STF has been provided. We feel it is too early to consider co-finance, as the STF does not have legal status in Indonesia and trust relationships have not been established yet. The challenge for the project will be to create the space for Government and Industry to have a dialogue and build trust - with the underlying objective of strengthening Indonesia's export performance while adhering to environment, social and governance norms and standards.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): A detailed risk table has been provided. Please address the below point:

Please expand the Project Risk table to include COVID-19 considerations and consider including following considerations:

- o Does the intervention have a plan in place to manage a possible re-instatement of COVID-19 containment measures?
- o Government capacity as human resources are mobilized elsewhere;
- o Change in capacity of other executing entities and the effectiveness of the overall project implementation arrangement;
- o Limited capacity and experience for remote work and online interactions as well as limited remote data and information access and processing capacities that projects will need to strengthen
- o Changes in project implementation timelines;
- o Changes in baseline (both ongoing and forthcoming projects);
- o Change in conditions of beneficiaries;

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

The risk table has been expanded.

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): An informative coordination setup has been described - especially the GEF is please to see the involvement of FAO, including the ongoing TDA/SAP project. Cleared.

Agency Response

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Cleared.

Agency Response

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21): Please address the point as to how KM may be enhanced between the two country interventions.

SH (10.13.21): Cleared.

Agency Response

ADB Response 11 October 2021

An additional output will consider KM across GEF linked regional seas /LME programmes and cover sustainable aquaculture in general, and shrimp and seaweed sectors, specifically.

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 PIF/Work Program Inclusion

SH (10.1.21): Cleared.

SH (10.13.21): Please address the below comment:

Environmental and Social Safeguards: We note that the project overall ESS risk is classified as low and that ADB attached the Draft Environmental Screening and Categorization and Rapid Environmental Assessment Checklist for Timor-Leste. Information provided in the portal Environmental and Social Safeguard Risks, in the GEF Portal, however, states that “According to ADB SPS 2009”, the project may fall into Category B for the environmental categorization” and “the Involuntary Resettlement screening is considered category B.” Moreover, attached the Draft Environmental Screening and Categorization and Rapid Environmental Assessment Checklist for Timor-Leste also mentioned that the project environmental risk as category B and initial screening as medium respectively. Please clarify the overall project risk classification.

SH (10.21.21): Cleared.

Agency Response

ADB Response 21 October 2021

Following a review, the overall risk classification has been modified.

art III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21):

The LOE from Indonesia is missing. Receipt of all LOEs is necessary for this project to be considered for WP inclusion.

SH (10.13.21): Cleared.

Agency Response

Signed LOE from Indonesia has been uploaded.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

SH (10.1.21):

Please address comments and resubmit

Please address comments and resubmit.

SH (10.13.21): Project submitted twice under identical IDs. Please resubmit.

SH (10.13.21): Please address comments and resubmit.

SH (10.21.21): PM recommends for technical clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Brief reasoning for recommendations to CEO for FIF Approval