

**Global Environment Facility
Proposal for PDF Block B Grant**

Country:	Indonesia
GEF Focal Area:	Biodiversity
Project Title:	Coral Reef Rehabilitation and Management Project
Requesting Agency:	World Bank
Total Project Cost:	US\$80 million
Financing Plan:	US\$40 million IBRD loan US\$12 million GEF grant US\$ 8 million co-financed US\$20 million Government of Indonesia
PDF Block B Funds Requested:	US\$280,000
PDF Co-Funding	US\$900,000 PHRD ¹ grant US\$232,600 PRIF (pilot phase) US\$200,000 GOI funds
Block A or B Grant Awarded	No

Note: The project is being proposed as a World Bank loan and GEF grant.

Summary of Project Objectives and Description

1. **Objectives.** The primary objective of the proposed Coral Reef Rehabilitation and Management Project is to improve the management of coral reef ecosystems and create the conditions for the rehabilitation of degraded coral reefs in Indonesia, for the protection of marine biodiversity and the sustainable use of marine resources. The associated objectives are (a) to establish effective management mechanisms and alternative income-generation opportunities for coastal communities in priority coral reef areas; (b) to establish a Coral Reef Information network capable of providing public information and guidelines on coral reef status and management; (c) to create commitment and improve local capabilities for effective intersectoral coordination in marine planning, management, monitoring and enforcement; (d) to develop a prioritized approach to strengthening human resources capacity through education and training; and (e) to raise public awareness of the value of coral reefs and increase local participation in marine conservation in Indonesia.

2. **Project Description.** The preliminary project components have been identified as follows:

(a) **Management of Priority Coral Reef Sites.** This component would, through a process of intersectoral and participatory planning with relevant government agencies, the private sector, NGOs, and local communities, identify viable solutions for improving the management of priority coral reef sites, and assist local communities to successfully implement the agreed solutions, taking into account their socio-economic needs. Among the possible interventions would be the creation of alternative income opportunities at the community level to alleviate pressure on the reefs; support to local task forces in planning, preparation and implementation of management plans,

¹ Japanese Grant Fund.

enforcement, and monitoring; establishment of stewardship/user agreements with target communities; and provision of necessary equipment, support services, and small-scale infrastructure in support of sustainable management strategies.

(b) **Establishment of a Coral Reef Information Network.** This component would develop and/or strengthen the management information network and manpower capabilities of a number of Coral Reef Information Centers. These centers would be established as units of pre-existing marine research stations operated by the Indonesian Institute of Sciences. The stations already have general marine research facilities that would be upgraded to meet the needs of the project. The numbers and sites of the network nodes would be determined following the identification of priority areas geographically representative of coral reef ecosystems in Indonesia. The centers would be linked to regional Universities and undertake inventory, research, and monitoring of coral reef status, as well as provide public education, training, and guidelines on coral reef management and conservation principles.

(c) **Strengthening the Human Resources Capacity, Institutions, Planning and Policies Affecting Coral Reef Ecosystems.** This component would provide support to on-site management efforts by improving the human resources capacity of project stakeholders through the provision of strategic education and training programs, on-the-job skill development, seminars and workshops. The component would also seek to improve and clarify relevant policies and regulations influencing coral reef ecosystems, namely through the development of regulatory operational guidelines and the development of effective enforcement and compliance mechanisms.

(d) **Public Awareness and Participation.** This component would aim to generate public support for conserving Indonesia's marine biodiversity by directing communication and awareness efforts at strategic audiences and decision makers in all levels of society. The project would support the design and implementation of effective communication and public awareness programs such as public information campaigns, conservation prizes, and improved communication materials for extension services, schools and NGOs.

3. **Scope.** The World Bank/GEF-funded project is expected to include both national level interventions (including planning, policy reform, public awareness, and an information network) as well as field activities in a number of sub-projects in priority provinces in Eastern Indonesia. The final provinces/sites have not been determined, but they are expected to be selected from the South Sulawesi-Nusa Tenggara, and from the Maluku-Irian Jaya regions, based on a set of criteria acceptable to GOI and the Bank, and consistent with GEF biodiversity criteria. These provinces are among the richest in marine biodiversity in Indonesia. GEF assistance is expected to focus primarily on components (a) and (d) of the project. However, incremental costs need to be further assessed during preparation.

Eligibility

4. Indonesia ratified the Biodiversity Convention in August 23, 1994. The proposed project is consistent with Indonesia's Biodiversity Action Plan, Agenda 21, the Convention of Biological Diversity and the guidance from the First Conference of the Parties to the Convention of Biological Diversity (1994), which identified as priority programs those which (a) promote the conservation and sustainable use of marine and coastal biodiversity; (b) strengthen the involvement of local people, and integrate poverty concerns; (c) build local capacity through human resources development and institutional strengthening; and (d) strengthen the conservation, management, and

sustainable use of ecosystems. By focusing on Eastern Indonesia, the proposed project would help the conservation and sustainable management of an area which is believed to contain the richest coral reef, fish, and marine biodiversity in the world. Available data indicate that, in the absence of immediate interventions, the rapid rates of degradation of Indonesia's coral reefs are likely to continue due to threats such as sedimentation, poison and explosive fishing, coral mining, and direct alteration of marine ecosystems. The project's focus on capacity building, community-based management, and public awareness is also fully concordant with the recommendations of the International Coral Reef Initiative and the recently launched *Global Representative System of Marine Protected Areas* supported by the World Bank, the World Conservation Union and Australia's Great Barrier Reef Marine Authority.

Description of PDF Activities

5. PDF grant funds are requested for the following activities:
 - (a) **Assistance to regional task forces in project preparation.** PDF resources would be used to support the formation and activities of task forces at the regional level in the provinces targeted by the World Bank/GEF-supported project. The funds would allow the task forces to initiate bottom-up project preparation activities as well as prepare site-specific proposals for project design. The task forces are expected to be composed of relevant personnel from regional government agencies, NGOs, and private sector. In addition, support would be provided to qualified local groups to support participatory project preparation activities, including field visits, workshops, consultations, and information dissemination. The funds would be made available to both non-governmental and local government organizations. An allocation of US\$40,000 to US\$50,000 per province has been envisaged, for a total of US\$200,000.
 - (b) **Social Assessments.** PDF funds would be used to complement existing preparation resources in supporting social assessments in two project sites identified as priority for GEF financing. The social assessments would be contracted out to qualified NGOs or local institutions, and are expected to involve participatory rural appraisal or equivalent techniques, followed by inter-community planning workshops to reach consensus on community management strategies and potential project activities. The requested funds for these activities amount to US\$80,000.

National Level Support

6. Commitment for the project is high among the participating agencies. The National Planning and Development Board (BAPPENAS) first requested Bank assistance in April of 1994 and GEF assistance in June of 1995. COREMAP is listed in the BAPPENAS official list of projects as a US\$120 million program, with US\$30 million in counterpart financing. BAPPENAS has also allocated US\$200,000 of internal (DIP) funds for project preparation activities. An inter-agency preparation team was formed in February 1995, composed of representatives of BAPPENAS, the Indonesian Institute of Sciences (LIPI), DG Bangda and the Directorate General of Forest Protection and Conservation. The team completed a draft project concept document in March 1995, which was updated in May 1995. The core team has since been expanded to include representatives of the Ministry of Environment and the Directorate General of Fisheries, and there has been an agreement to include staff from the Directorate General of Tourism and NGOs. The

team is in the process of carrying out preliminary field assessment in target sites and strengthening the project concept with regional governments prior to the mobilization of the technical assistance.

Justification for PDF Grant

7. Part (a) of the PDF grant would be used to support regional task forces non-governmental organizations in bottom-up project design, and to encourage public participation at the local level. This support would complement project preparation efforts currently undertaken by the central government agencies, and supported through a Japanese Grant Fund (PHRD). Part (b) of the PDF grant would support social assessments in two priority project sites not covered by PHRD funds.

Items to be Financed

8. The PDF grant would be used to finance the costs of meetings, workshops, reporting, field visits, and community consultations carried out by qualified regional groups in the target project areas that are expected to be financed by GEF. Social assessments are expected to involve participatory rural appraisals and ZOPP workshops.

Preparation Costs (in US\$)

Activity	PDF	PHRD	UNDP/PRIF	GOI	Total
Preliminary Site Assessments				200,000	200,000
Preparation of Conservation Awareness Component			232,600 ¹		232,600
Preparation of Other Components		579,000			579,000
Social Assessments	80,000	160,000			240,000
Planning Workshops - National		141,000			141,000
Ecological Analysis		20,000			20,000
Assistance to Regional Teams for Site-Specific Preparation	200,000				200,000
Total	280,000	900,000	232,600	200,000	

¹ - These funds are earmarked for conservation awareness activities under the PRIF agreement.

Implementation of the PDF

9. The executing mechanisms for the proposed PDF grant are currently under discussion with the Government of Indonesia. The favored mechanism would be to have the Indonesian Institute of Sciences become the primary executor of the grant, with the agreement to sub-contract it to the Biodiversity Foundation. This Foundation, which has been set up to fund the involvement of NGOs in conservation activities, would in turn scrutinize local proposals against a set of proposed criteria (Annex A), and channel the funds to qualified applicants.

Coral Reef Rehabilitation and Management Project
Criteria for GEF-PDF Grant Funding
(Proposed²)

PDF funds would be available to support regional task teams and encourage local participation in developing COREMAP project preparation activities. Because the funds are limited, **the grants would be given on a competitive basis based on the merit of the proposals.** The criteria for proposal selection include:

- All proposed activities must be clearly linked with the preparation of COREMAP;
- Proposed activities must take place within the priority project area (Maluku, Irian Jaya, South Sulawesi, and West and East Nusa Tenggara).
- Grants would be available to support a range of project preparation activities. Applicants could include local NGO and community groups, regional Universities, local governments, and private sector groups. Joint proposals from task forces composed of local governments, NGOs, and/or private sector groups would be especially encouraged.
- The proposals should be endorsed by authorized representatives of all agencies and NGOs involved. The groups should submit evidence of:
 - (a) existing and/or past record of facilitation/partnerships between local communities and local governments; and
 - (b) expertise in socio-economic and/or management aspects pertinent to the coastal communities in the target area.
- Proposals should include:
 - (a) Names and positions of staff involved, including time allocated to task;
 - (b) A description of tasks to be financed, and a detailed budget; and
 - (c) Schedule for delivery of outputs.
- Eligible expenses would include meeting and workshop costs, field visits, and consultation and reporting costs associated with bottom-up project planning and design, in particular for:
 - a) Selection of priority site(s);
 - b) Design and discussion of management strategies for priority coral reef areas;
 - c) Design and discussion of community development strategies;
 - d) Social assessments in priority sites;
 - e) Institutional and regulatory framework;
 - f) Information exchange activities;
 - g) Monitoring framework; and
 - h) Design of conservation awareness activities.

² The criteria need to be finalized and agreed following the conclusion of on-going discussions with the proposed executing agencies.

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REPUBLIC INDONESIA
BADAN PERENCANAAN PEMBANGUNAN NASIONAL
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TELEPON : 336207 — 3905650

No. : 3429/B.16/06/1995
Re : COREMAP

Jakarta, June 16, 1995

Mr. Kenneth Newcombe
GEF Coordinator
Room S-2141
The World Bank
1818 H Street, N.W.
Washington, DC 20433
USA

I am pleased to inform you that Bappenas has no objection to the attached proposal regarding the rehabilitation and nation-wide management of our coral reefs ecosystem. This proposal has been discussed and agreed to by the Steering Committee Meeting of COREMAP held at Bappenas office on April 7, 1995.

BAPPENAS has appointed LIPI as the coordinating agency for COREMAP, while the implementation will be coordinated by LIPI and Directorate General for Regional Development (BANGDA) with relevance agencies, as mentioend in the proposal, both at the national and local levels.

Your agreement to the inclusion of this project in the GEF funding is now sought in order that the following activities can be prepared.

I look forward to enhancing our global efforts on this matter.
With warmest wishes.

Yours sincerely,
Bureau Chief for Marine,
Aerospace, Environment,
Science and Technology
BAPPENAS

Triono Soendoro



Facsimile Cover Sheet

To: Mr. Ken Newcombe
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Comments:

Dear Mr. Newcombe,

I have discussed the draft grant proposal from Ms. Sofia Bettencourt with Mr. Kasim Moosa, Coordinator of the COREMAP Team. We have no objection to the proposed budget allocation.

Since preparation will produce an integrative planning for the project, I prefer LIPI executes both JGF and GEF grants.

Thank you.

CC :
Ms. Sofia Bettencourt