



**REQUEST FOR PROJECT PREPARATION GRANT (PPG)**  
PROJECT TYPE: FULL SIZED PROJECT  
THE SPECIAL CLIMATE CHANGE FUND (SCCF)

Submission date: August 27, 2010  
Resubmission date: December 2, 2010

GEFSEC PROJECT ID:  
GEF AGENCY PROJECT ID: 4549  
COUNTRY(IES): Indonesia  
PROJECT TITLE: Strategy Planning and Action to Strengthen Climate Resilience of Rural Communities in Nusa Tenggara Timor Province (SPARC)  
GEF AGENCY(IES): UNDP  
OTHER EXECUTING PARTNERS: NTT Provincial Government  
GEF FOCAL AREA(S): Climate Change Adaptation

A. PROJECT PREPARATION TIMEFRAME

Start date	December 2010
Completion date	October 2011

B. PROJECT PREPARATION ACTIVITIES (\$)

**COMPONENT 1: Technical Definition and Capacity Needs Assessment**

1. Project formulation will be based on guidance by the UNDP Adaptation Policy Framework and UNDP's guidelines for developing climate change adaptation projects.

(a) Definition of a project baseline

2. A detailed review of existing climate risk information and analysis relating to NTT Province will be undertaken. This analysis will take stock of the current state of community resilience to existing climate variability and projected climate change impacts, including sea level rise (SLR). The baseline analysis will provide details about current and planned development initiatives in the target areas and outline climate-related challenges and opportunities that need to be addressed in order to make NTT Province more resilient to key risks associated with existing chronic food security concerns.

3. The baseline analysis will include a review of ongoing development projects in NTT and produce an inventory of policies, laws, executive regulations and decrees that govern climate-related resilience issues. This review will focus on the strengths, weaknesses, opportunities and threats of existing decision making and sectoral planning systems. The information collected in this exercise will contribute to a detailed root-cause analysis of climatic and non-climatic drivers that exacerbate communal vulnerability in times of growing uncertainty and environmental change. This analysis will be the basis for the definition of tangible research and demonstration activities proposed under the full-sized project.

(b) Identification of current and projected climate change risks in NTT Province

4. PPG resources will be used to undertake a detailed climate change risk analysis within NTT Province and collect available materials on climatic projections for the upcoming decade. Building on the recently

completed SNC findings of climate change impacts, resources will only be used to target additional analysis identifying the likely biophysical impacts, where they are likely to occur, on what scale, the timing of expected changes, and the socio-economic implications of the anticipated changes. The analysis will reflect the available range of climate and socio-economic scenarios on which impacts are projected, and define knowledge gaps that need to be addressed in the full-sized project.

5. PPG resources will be used to undertake a review of community vulnerabilities in NTT in order to guide the formulation of project interventions. In particular, resources will be used for the following:

- To outline a technically sound description of how climate change is projected to affect communities in NTT in their current setup (i.e. without additional risk mitigation measures). This analysis will be based on existing climate change scenarios.
- PPG resources will then be used to estimate the likely costs and benefits of proposed project interventions (including probability of success) to mitigate identified climate change risks. Associated with this, a detailed description of expected project implications on existing institutional/policy/legislative frameworks in coastal areas and community settlements will be made. This includes a review of relevant laws, regulations, responsibilities, and financing provisions that have a bearing on a conducive structural environment for climate change adaptation in NTT.

6. Stakeholder consultations and validation with relevant governmental and non-governmental agencies, as well as other bilateral donors, will supplement the findings of the climate change risk review and inform the technical feasibility and needs assessment for the proposed project. PPG funds will not be used to duplicate work already completed through the SNC process.

(c) Identification of specific sites for intervention

7. Based on the information in (a) and (b), a selection will be made of specific pilot sites that this project will focus on. A thorough assessment of the location specific risks that this project will need to overcome will be clarified and inform the overall design of the project. A participatory stakeholder approach to site selection and definition of priority research needs (involving relevant local institutions, the private sector, research organisations and representatives of civil society) will be employed and outlined in the UNDP-GEF Project Document. The financial scope of the FSP will be aligned with the project's potential for wider regional impact and maximum replication of adaptation benefits beyond NTT Province.

(d) Clarifying additionality of proposed Outcomes and interventions

8. The additionality of the proposed project, relative to baseline development needs, will be clarified in the context of the proposed Outcomes as outlined in the PIF. A detailed description will be provided on how SCCF resources will be directed towards the additional cost of ensuring that baseline activities to promote poverty reduction, food security and human development in NTT incorporate climate change concerns. Towards this end, stakeholder consultations will be undertaken to assess the current range of resilience-enhancing and/or mal-adaptive activities that are already taking place across the Province. This assessment will clarify a) where additional climate-proofing components are required to increase the resilience of activities proposed under existing development planning, and b) which districts have the greatest potential for technical enhancement and modification to effectively provide added value in increasing resilience to climate risks.

9. This review will include an inventory of who is doing what, at which scale and in which districts. This information will ensure that the design of the full-size project document links to other, planned and

ongoing activities. The inventory will contribute to explicitly describing specific urgent and immediate adaptation actions that require additional responses to account for climate change-induced risks. It will also inform key activities in alignment with UNDP's core competencies and comparative advantage.

10. The review and stakeholder consultations will facilitate discussions with other local and international institutions pursuing similar objectives/outcomes, and identify important partnerships including co-financing opportunities. It will also facilitate discussions with other agencies such as UNEP, UNV, World Bank, ADB, and others on potential partnerships whereby the comparative advantage of these agencies can be brought in to bear on the design and implementation of this project.

(e) Integration with development plans, policies and complementary projects

11. The project will integrate climate change concerns into relevant NTT province and district development plans and policies and also align itself with other core UN system and UNDP activities in NTT<sup>1</sup>. In order to identify linkages of climate change concerns into sub-national development plans and policies, a targeted policy review will be undertaken. For example, the project will need to build on existing mid-term planning documents (RPJM) which are developed at district and provincial level for a five year intervals after a new district head (Bupati) or Governor is elected. The NTT provincial RPJM has already identified climate change and climate risk as threat to development. However, this needs to be further elaborated in terms of concrete measures to address related risks and to measure and monitor effects.

Indonesia has also embarked on an ambitious national process to mainstream climate change in development planning through the roadmap for climate change mainstreaming. The process was launched by BAPPENAS in 2009 and is well integrated into the overall development planning structure. The document also highlights the vulnerability of eastern Indonesia to climate change (which includes NTT) and prioritizes it for adaptation action.

Within the framework of the Jakarta core statement and the Paris and Accra agenda for aid effectiveness, close collaboration will be sought with other development efforts. A key one is the Australian-Indonesian Partnership for Decentralization. The major emphasis is on improved public financial management. As it is anticipated that future large scale funding has to be channeled through government, the project will deliver essential TA to streamline development planning processes as well as integrate efforts to institutionalize climate proofing and procedures for climate finance options within existing public finance management mechanisms.

**COMPONENT 2: Institutional arrangements, Monitoring and Evaluation**

12. The outputs of Component 1 will be used as technical input for the formulation of a full-sized UNDP-GEF compliant Project Document for the proposed project. Technical assistance will be required by national and international consultants who are (i) experienced in GEF project formulation; (ii) familiar with UNDP project implementation requirements; (iii) technically competent in the analysis of climate change impacts and adaptation options in the context of the project scope outlined in the PIF; and (iv) familiar with the institutional setting in Indonesia.

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<sup>1</sup> As reflected in the UNDAF 2010-2014, the UN System in Indonesia has identified NTT as one of the three priority provinces in the country. The UN System has also identified climate change as one of the top priorities in the UNDAF.

(a) Finalization of a Strategic Results Framework and definition of monitoring and evaluation provisions

13. PPG resources will be invested into a participatory approach to finalize a detailed Strategic Results Framework, which includes revision and confirmation of the project goal, objective, outcomes, outputs, and their corresponding indicators of success. Qualitative and quantitative monitoring and evaluation indicators to measure and verify successful delivery of Project Objective and Outcomes will be communicated to stakeholders. The FSP will furthermore contain a work plan to guide the project implementation phase. A Monitoring and Evaluation strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNDP guidelines). This will also reflect the requirements of the Implementing Agency *vis-à-vis* its standard reporting and evaluation mechanisms. The Monitoring Plan will make reference to the above described qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. Provisions for independent evaluation and provisions to ensure learning of lessons from implementation will be included.

(b) Definition of project roles and responsibilities

14. A delivery strategy with clearly identified roles and responsibilities of specific institutions for the overall management of the project will be specified. A coarse capacity assessment will be undertaken with relevant Ministries and/or other appropriate local institutions that could implement the full size project. Details on oversight of technical activities, including requisite reporting procedures, will be established. UNDP guidelines as articulated in the Results Based Management Framework will be followed in formulating and describing these details.

(c) Exit Strategy (Sustainability)

15. A detailed sustainability strategy will be defined in order to ensure replication of project benefits beyond the lifetime of the project. The PPG phase will focus on tangible milestones and agreements within the project cycle to ensure propagation of additional investment decisions for the replication of project benefits.

**COMPONENT 3: Stakeholder Consultations**

16. PPG resources will be utilized to engage key stakeholders at the national/sub-national and community level during the project design phase. In alignment with the approved project objective, a comprehensive stakeholder dialogue will be initiated to determine stakeholder needs *vis-à-vis* adaptation to potential climate change impacts, existing barriers to adaptation, expertise that might be helpful in designing and evaluating the project, and mapping of stakeholders who have been involved in similar initiatives or planning processes. The following activities will be undertaken:

(a) Mobilize and engage stakeholders

17. Participatory development of a general project framework will be followed by approval and endorsement by key stakeholders. The successful completion of the preparatory phase will require participation by a diverse range of number of key stakeholders:

- Public, private, and international institutions that monitor and produce information related to climate change impacts in Indonesia in general, and in the Province of NTT in particular. A mechanism for sharing information on climate risk management and technical capacities of communities and relevant institutions on the integration of climate risks into rural development planning and management activities will be developed during the preparatory phase;

- A wide array of national agencies, local authorities, NGOs and international technical cooperation bodies, and NTT communities will be consulted in order to establish an effective framework for the proposed project;
- A plan for project management during the implementation phase of the FSP will be discussed and finalized during the preparatory phase.

(b) Definition and extension of partnerships

18. The PPG phase will include participatory negotiations with local communities and stakeholders to map existing adaptation requirements and knowledge gaps. Partnership requirements for support and co-funding at various levels (including government, NGO, private sector (tourism industry), and bilateral partnership arrangements) will be explored and outlined in the project document. Public-private partnerships and institutional-community partnerships which are beneficial to achieving the project objective will be defined. Involvement of the media will be clarified and summarized under a defined communication strategy aimed at performing policy advocacy and dissemination of lessons learned.

(c) Community Mobilization

19. A detailed work plan based on a participatory stakeholder approach will be developed to mobilize local communities to contribute to the definition, implementation, monitoring and evaluation of relevant project components. This may include community participation in tracking the delivery of specific project Outcomes.

**COMPONENT 4: Financial planning and co-financing definition**

(a) Facilitation and support of Government negotiations and consultations on project-related issues

21. PPG resources will be used to finance the cost of facilitating and supporting the government of Indonesia and Province of NTT to reach agreement on project objective, outcomes, outputs and indicators and finalize government contributions and partnerships for support and co-funding of the envisaged project results.

(b) Exploration of Multilateral and Bilateral co-funding opportunities

22. PPG resources will be used to finance the cost of partnership development and the pursuit of co-financing opportunities at various levels with bilateral and multi-lateral funding institutions. The PPG will enable networking at the global and national level in order to ensure a coherent and sustainable financing approach with perspectives beyond the project lifetime.

(c) Preparation of official endorsement letters and guarantees

23. An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government of Indonesia. A co-financing guarantee will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who provide in cash or in kind contributions to this project.

**D – Outputs from Preparation Activities**

25. The final product of the proposed PPG phase will be a UNDP-GEF compliant, full-sized Project Document for submission to the SCCF. The document will cover the following in detail:

- Clear description of development baseline activities and related sources of financing, in particular a summary of relevant baseline development plans and investment programmes of the public and private sector in the Province of NTT;
- Review and summary of the existing policy and regulatory framework for rural development and food security in NTT with particular emphasis on current impact on areas where communities are settled.
- Review, analysis and summary of current and past project activities by government, donors, NGOs and private sector institutions in NTT that are related to increasing resilience (including an updated report on co-operation and co-financing arrangements proposed for the envisaged UNDP project).
- A collation and synthesis of supporting reports (climate risk assessments, economic assessments of climate change impacts and cost/benefit studies of adaptation options) to justify the proposed project interventions and leverage financing for the proposed activities (this may include a research gap analysis, pre-feasibility studies for demonstration measures, etc.)
- Explicit specification of all adaptation activities to be financed by the SCCF and their adaptation rationale (why and how are they supposed to reduce vulnerability and/or increase adaptive capacity beyond what is already being done, including justification of economic benefits and cost effectiveness);
- Clear description of the geographic breakdown of the project across the Province of NTT including its several islands;
- Definition of project goal, objective, outcomes, outputs and verifiable indicators;
- Definition of a Strategic Results Framework and a Monitoring and Evaluation (M&E) system with quantifiable and verifiable impact indicators. These indicators, which will specifically address adaptation impacts, will be based on guidance by UNDP/GEF's Results framework for adaptation projects (August 2010 version). The indicators will be connected to a monitoring and evaluation plan, which will set out how and by whom these indicators will be measured and which way verification data will be collected by the project.
- A work plan with detailed roles, responsibilities and a timeline for project implementation;
- Definition of a Stakeholder Involvement plan for the design, preparation and implementation phase of the project, with a clear focus on community involvement and participation;
- Definition of Project Management and Reporting arrangements.
- Endorsement letters from the government and letters confirming co-financing commitments;
- A detailed set of Annexes including a listing of PPG activities and reports from all project relevant stakeholder consultations

<b>Project Preparation Activities</b>	<b>SCCF Fund</b>	<b>Co-financing<sup>2</sup></b>	<b>Total</b>
1. Technical Definition and Capacity Needs Assessment	45,000	202,000	247,000
2. Institutional arrangements, Monitoring and Evaluation	15,000	68,000	83,000
3. Stakeholder Consultations	25,000	98,000	123,000
4. Financial planning and co-financing definition	5,000	28,000	33,000
PPG Management Budget Costs*	0	58,000	58,000
<b>Total project preparation financing</b>	<b>90,000</b>	<b>454,000</b>	<b>544,000</b>

\* This item is the aggregate cost of project management; breakdown of the aggregate amount should be presented in the table below. NB: The PPG management budget covers in-country operational management costs and expenditures related to facilitation of PPG activities and delivery of PPG outcomes.


No UNDP Implementing Agency Services costs will be charged to the PPG Management Budget. All such costs will be charged to the IA fee.

<sup>2)</sup> Parallel/in-kind contributions

E. PPG BUDGET REQUESTING LDCF/SCCF FINANCING

Cost Items	Total Estimated Person weeks (pw)	SCCF Fund	Co-financing (\$)	Total (\$)
Local consultants *	32	40,000	150,000	190,000
International consultants*	16	40,000	115,000	155,000
Technical workshops		5,000	66,500	71,500
Communications, reports, travel		5,000	64,500	69,500
Management		0	58,000	58,000
<b>Total PPG Budget</b>		90,000	454,000	544,000

F. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the LDCF/SCCF criteria for project identification and preparation.	
 Yannick Glemarec Executive Coordinator UNDP/GEF	Project Contact Person Angus Mackay UNDP/GEF Regional Technical Advisor
Date: December 2, 2010	Tel. and email: +66/2288/2784 (angus.mackay@undp.org)



**Consultants Financed by the Project Preparation Grant (PPG)**

<b>Position Titles</b>	<b>\$/ person week</b>	<b>Estimated PWs</b>	<b>Tasks to be performed</b>
Project Assessment Specialist (National Consultant)	1250	20	<ul style="list-style-type: none"> <li>- Coordinate negotiations and consultations with government agencies, project stakeholders and potential partners;</li> <li>- Help coordinate all PPG activities and ensure the quality of outputs;</li> <li>- Contribute to and support baseline analyses and project definition activities;</li> <li>- Organize and facilitate a series of technical and consultative workshops;</li> <li>- Refine vulnerability analysis, system boundaries and project scope;</li> <li>- Identify specific sites for project interventions;</li> <li>- Analyze existing resilience knowledge gaps and prioritize most important research activities</li> <li>- Propose a policy, institutional and capacity development strategy for the project;</li> <li>- Assist in the analysis and design of adaptation measures for demonstration and replication;</li> <li>- Develop a communication strategy with communities and facilitate their participation;</li> <li>- Define project roles and responsibilities and propose suitable project management, implementation and reporting arrangements;</li> <li>- Assist in the design of the project’s Knowledge Management and M&amp;E component (including learning mechanisms and impact indicators);</li> <li>- Develop a replication and sustainability strategy for the project;</li> <li>- Help build partnerships and mobilize resources;</li> </ul>
Climate Change and Vulnerability Assessment Specialist (National Consultant)	1250	12	<ul style="list-style-type: none"> <li>- Review existing climate risk information available for NTT and outline a detailed problem analysis;</li> <li>- Carry out gap analysis and identify areas of additional study required for the project implementation phase</li> <li>- Identify and review existing vulnerability studies with a focus on key development and productive sectors with a relevance to rural development and food security.</li> <li>- Propose a suitable approach and methodology for vulnerability assessment.</li> <li>- Carry out selected community based consultations to assess existing vulnerabilities to help support project design including selection of sample districts and proposed adaptation interventions on the ground.</li> <li>- Provide support to the Project Development Specialist in completing project documentation.</li> </ul>
<b>International</b>			
Climate Change	2500	16	- Based on existing regional models and research products, collate

<p>Adaptation Project Development Specialist</p> <p>(International Consultant)</p>			<p>existing climate change scenario information / impact projections for Indonesia</p> <ul style="list-style-type: none"> <li>- Contribute to a stakeholder analysis, promote stakeholder participation and assist with national consultation processes;</li> <li>- Ensure that the project is proposing appropriate adaptation measures and responds adequately to actual community needs;</li> <li>- Help build partnerships and mobilize resources;</li> <li>- Guide implementation of the PPG phase;</li> <li>- Oversee finalization of a Results Framework and definition of indicative project activities;</li> <li>- Define a project work plan and coordinate input by the national consultant;</li> <li>- Quality control for the FSP in line with UNDP/GEF requirements;</li> <li>- Assist in verifying climate risks associated with the project's target areas;</li> <li>- Validate problem analysis of the project;</li> <li>- Guide the determination of the scope and strategy of the project;</li> <li>- Finalize project Outcomes, Outputs and their corresponding verifiable indicators of success;</li> <li>- Ensure additionality of the project and guide/facilitate respective discussions;</li> <li>- Ensure that the project approach is cost-effective;</li> <li>- Contribute to the definition of UNDP-GEF compliant management arrangements;</li> <li>- Facilitate the process of co-financing design and ensure that co-financing letters are obtained;</li> <li>- Facilitate stakeholder consultations on project preparation, including finalization of a detailed budget and TOR for all inputs in line with UNDP-GEF criteria and eligibility principles</li> </ul>
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