

Grant Assistance

JFPR: INO 39115

Proposed Grant Assistance to the Republic of Indonesia for the Rehabilitation of Coral Reef and Mangrove Resources in the Special Province of Nanggroe Aceh Darussalam Project (Financed by the Japan Fund for Poverty Reduction)

August 2005

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 31 July 2005)

Currency Unit	-	rupiah (Rp)
Rp1.00	=	\$0.000105
\$1.00	=	Rp9,490

ABBREVIATIONS

ADB	-	Asian Development Bank
BAPPEDA	-	Badan Perencanaan Pembangunan Daerah (Regional Development Planning Agency)
BRR	-	Badan Rehabilitasi dan Rekonstruksi (Rehabilitation and Reconstruction Agency) for Aceh and Nias
COREMAP II	-	Coral Reef Rehabilitation and Management Project Phase II
ETESP	-	Earthquake and Tsunami Emergency Support Project
JFPR	-	Japan Fund for Poverty Reduction
MMAF	-	Ministry of Marine Affairs and Fisheries
NAD	-	Nanggroe Aceh Darussalam
NGO	-	nongovernment organization
OISCA	-	Organization for Industrial, Spiritual and Cultural Advancement
PMU	-	project management unit

GLOSSARY OF TERMS

dinas Kelautan Dan Perikanan	-	Provincial/district Marine Affairs and Fisheries Service
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NOTE

- (i) The fiscal year of the Government and its agencies ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

JAPAN FUND FOR POVERTY REDUCTION (JFPR)
JFPR Grant Proposal

I. Basic Data

Name of Proposed Activity	Rehabilitation of Coral Reef and Mangrove Resources in the Special Province of Nanggroe Aceh Darussalam
Country	Indonesia
Grant Amount Requested	\$1.5 million
Project Duration	2 years
Regional Grant	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Grant Type	<input checked="" type="radio"/> Project / <input type="radio"/> Capacity building

II. Grant Development Objective and Expected Key Performance Indicators

<p>Grant Development Objective (GDO): The principal objective of the Project is to raise incomes of poor coastal communities in Aceh Besar district and Banda Aceh in the Special Province of Nanggroe Aceh Darussalam (NAD) by rehabilitating and sustainably managing coral reef and mangrove resources damaged by the December 2004 tsunami.¹</p>
<p>Expected Key Performance Indicators:</p> <ul style="list-style-type: none"> • Rehabilitation of 300 hectares (ha) of mangroves damaged by the tsunami - 250 ha in Aceh Besar and 50 ha in Banda Aceh • Rehabilitation of 30 ha of coral reefs in Aceh Besar by coastal communities • Alternative livelihood activities to support coastal resource management implemented in 20 coastal villages • Capacity of 10 fisher associations strengthened

III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures

Category	Amount of Grant Allocated in \$	Percentage of Expenditures
1. Materials and Other Inputs	894,360	59.6
2. Equipment and Supplies	34,000	2.3
3. Training and Workshops	30,400	2.0
4. Consulting Services	94,600	6.3
5. Project Management	349,440	23.3
6. Contingencies	97,200	6.5
Total	1,500,000	100.0
Incremental Cost	50,000	3.3

¹ Thirty coastal villages will be selected from 45 coastal villages in 10 project subdistricts based on the selection criteria to be developed by the lead nongovernment organization and a project management consultant.

JAPAN FUND FOR POVERTY REDUCTION
JFPR Grant Proposal
Background Information

A. Other Data

Date of Submission of Application	27 April 2005
Project Officer	Bobur Alimov Economist
Project Officer's Division, E-mail, Phone	Agriculture, Environment and Natural Resources Division (SEAE) balimov@adb.org, tel: (632) 632-5902
Other Staff Who Will Need Access to Edit/Review the Report	Mr. Weidong Zhou, Sr. Agriculture and Natural Resources Specialist Mr. Axel Hebel, Agriculture and Natural Resources Specialist
Sector	Marine and Fisheries Sector
Theme	Environment
Was JFPR Seed Money used to prepare this grant proposal?	Yes [X] No []
Have SRC comments been reflected in the proposal?	Yes [] No [] SRC waived. Interdepartmental comments have been incorporated.
Name of Associated ADB Financed Operation	Earthquake and Tsunami Emergency Support Project Coral Reef Rehabilitation and Management Project Phase II
Executing Agency	Ministry of Marine Affairs and Fisheries
Grant Implementing Agency	Organization for Industrial, Spiritual and Cultural Advancement (OISCA) Address: Jl. Tebet Timur Dalam II/26, Jakarta Selatan, Indonesia Tel.: (62) 21-829-3787, fax: (62) 21-830-9723. Mr. Tomoji Suzuki, Secretary General, Indonesia E-mail: jisuzuki@cbn.net.id Mr. Kenji Sawada, Chief Representative, Indonesia E-mail: rsawada@indosat.net.id Mr. Adli Abdullah, Secretary General, Panglima Laot Tel. 0651-740-9692

B. Details of the Proposed Grant

The Project comprises three components: (i) community organization; (ii) community-based coastal resources management; and (iii) project management, monitoring, and audit.

1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable

Component A	
Component Name	Community Organization
Cost (\$)	281,280
Component Description	This component will provide the necessary foundation for rehabilitation works. Although the community organizing activities will be also undertaken in these coastal areas by the Government and other external agencies for other current and future rehabilitation and reconstruction projects, the Project will focus on organizing and training coastal communities for rehabilitation and sustainable management of coastal natural resources. Community organizing and training will be done by nongovernment organizations (NGOs) and fisher associations. Coastal communities will be trained in management of coastal natural resources and livelihood development, and assisted in upgrading their socioeconomic status through identification and development of alternative livelihood activities, which will, in turn, contribute to sustainable coastal natural resource management. Alternative livelihood activities will include establishment of nurseries for mangrove replantation and enrichment, and development of small-scale brackish water culture in mangrove areas less damaged by the tsunami. To ensure women's participation in rehabilitation works and development of livelihood activities, a gender analysis (with a subsequent gender action plan) will be developed by the lead NGO with assistance of a sociologist/gender specialist.
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> • Coastal natural resources rehabilitation and management plans developed by local communities in 30 coastal villages with the assistance of NGOs and fisher associations • 30 coastal community groups formed and trained for coastal natural resources rehabilitation • At least 1,000 community members trained on sustainable coastal resource management • Alternative livelihood activities identified and implemented in 20 coastal villages
Implementation of Major Activities: Number of months for grant activities	24 months

Component B

Component Name	Community-based Coastal Resources Rehabilitation and Management
Cost (\$)	933,240
Component Description	The focus of this component is the replantation and enrichment of mangroves, and coral transplantation. The rehabilitation works will be undertaken by coastal communities

	with assistance from NGOs and fisher associations. Rehabilitation works will be implemented according to the coastal resource rehabilitation and management plans developed under the community organizing component. The seedlings for mangrove rehabilitation will be supplied from the nurseries established in project coastal communities.
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> • Detailed technical and coastal natural resources assessment conducted for rehabilitation works in each subdistrict • 300 ha of mangroves rehabilitated and managed by coastal communities in the tsunami affected areas • 30 ha of coral reefs rehabilitated and managed by coastal communities in the tsunami affected areas • Detailed impact assessment prepared
Implementation of Major Activities: Number of months for grant activities	24 months

Component C

Component Name	Project Management, Monitoring, and Audit
Cost (\$)	285,480
Component Description	This component will support (i) overall project coordination, supervision, management, and monitoring to be assisted by a local project management consultant; (ii) preparation of work plans and implementation guidelines, criteria, and schedules; and (iii) an independent impact assessment and audit.
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> • Comprehensive project work plan and implementation schedule prepared • Local NGOs contracted • Capacity of 10 fisher associations strengthened • Two district-level workshops conducted on sustainable community-based coral reef and mangrove management • Funds budgeted for each component disbursed and utilized • Various reports, including inception, progress, and audit prepared
Implementation of Major Activities: Number of months for grant activities	24 months

2. Financing Plan for Proposed Grant to be Supported by JFPR

Source of Finance	Amount (\$)
JFPR	1,500,000.0
Government	67,200.0
Other Sources (NGOs and fisher associations)	42,360.0
Total	1,609,560.0

3. Genesis

The 26 December 2004 tsunami in the Indian Ocean, triggered by a massive earthquake, caused unprecedented damage to the northern part of Sumatra, including NAD. Fourteen of the 21 districts in the coastal areas of the province were significantly damaged. Official statistics reports 126,000 people dead, 94,470 people missing, and 412,438 people internally displaced. The massive disaster devastated livelihoods and public infrastructure, and caused serious environmental damage including the loss of benefits from environmental assets such as coral reefs and mangroves, which might need at least a generation to completely recover. Almost 80% of all mangrove habitat areas were destroyed along the coastal line of Banda Aceh and Aceh Besar. An area of 250 ha of coral reef habitat in Aceh Besar was damaged.

The Government of Indonesia responded swiftly in the immediate aftermath of the disaster and mobilized domestic and international resources for relief and rehabilitation efforts. In March 2005, the Government finalized a medium-term disaster management, rehabilitation, and reconstruction strategy. The rehabilitation and reconstruction works will mainly focus on restoring lives and livelihoods, economic activity, infrastructure, and government and civil institutions. Thus coastal communities devastated by the tsunami will receive assistance in rehabilitation of fisheries infrastructure.

The proposed JFPR-financed Project will complement these efforts by rehabilitating coral reef and mangrove resources as a part of rehabilitation of coastal habitats. Coral reefs and mangroves form the key ecosystem on which the coastal communities rely for food, income generation, construction materials, and coastal protection. The Project will focus not only on rehabilitation of coastal natural resources but also on their sustainable management by coastal communities. The Project will assist the poorest coastal communities with a pre-tsunami poverty incidence of more than 45%.

4. Innovation

The JFPR-financed Project will start the rehabilitation of coastal natural resources (growing mangrove plants and similar species, recovering of living organisms in mangrove and coral reef areas, and clearing and transplanting coral reefs) critical for the recovery of the fisheries sector while the comprehensive rehabilitation of physical assets is under way. The Project will also increase awareness among the stakeholders of the importance of preserving coastal natural resources and generate community participation in coastal resources conservation, facilitating complete recovery of the fisheries sector in NAD within the next few years.

5. Sustainability

The participatory approach followed in planning and implementation of rehabilitation works is an essential element of the Project's sustainability. Alternative livelihood activities developed together with local communities, implemented with the help of local fisher associations and designed to support coastal natural resources management, will contribute to the sustainability of the Project. One of the livelihood activities will be the establishment of nurseries for mangrove rehabilitation, which will be used after project completion for enrichment of rehabilitated mangroves. Special training of communities in management of coastal natural resources will ensure proper maintenance of resources rehabilitated under the Project. Strengthening of the capacity of fisher associations under the Project and provincial and district offices of the Ministry of Marine Affairs and Fisheries (MMAF) and extension services under the Earthquake and

Tsunami Emergency Support Project (ETESP) will ensure adequate technical support to communities for maintenance of coastal natural resources.

6. Participatory Approach

The Project will adopt a participatory approach to the rehabilitation and management of coastal natural resources. The project preparation involved all stakeholders, including national, provincial and district governments, NGOs, fisher associations, and coastal communities through an extensive consultation process. Close coordination and effective linkages will be established between national, provincial, and district governments and NGOs within the context of their defined roles and responsibilities in project implementation. Coastal communities will organize themselves with the assistance of local NGOs, identify their specific needs, and plan and implement their community-specific coastal resource rehabilitation works and alternative livelihood programs. The involvement of traditional local fisher associations (Panglima Laot) in designing and implementing the Project will promote ownership of the Project, revitalize these organizations, and promote sustainable coastal natural resources management.

Primary beneficiaries and other affected groups and relevant description	Other key stakeholders and brief description
<ul style="list-style-type: none"> • Thirty poor coastal villages in Aceh will participate in rehabilitation and management of coral reef and mangrove resources, which are essential for their livelihoods. • These coastal communities will also benefit from development of alternative livelihood activities that support sustainable management of coastal natural resources • Capacity of 10 fisher associations will be strengthened. These fisher associations will assist the lead NGO in implementation of rehabilitation activities. 	<ul style="list-style-type: none"> • The Rehabilitation and Reconstruction Agency (BRR) for Aceh and Nias will be responsible for project oversight • MMAF will be responsible for coordination of all project activities • OISCA will be responsible for supervision and implementation of all project activities • Local NGOs will assist OISCA in the implementation of rehabilitation works and development of alternative livelihood activities

7. Coordination

During project preparation, extensive and close consultations were held with other bilateral and multilateral agencies including the World Bank, Food and Agriculture Organization of the United Nations, and the embassy of Japan in Indonesia. Close liaison will be maintained during project implementation and project information will be disseminated to interested bilateral and multilateral agencies in a timely manner.

8. Detailed Cost Table

Please refer to Appendix 1 for detailed cost estimates.

C. Linkage to Asian Development Bank Emergency Assistance Operations

The ETESP, approved on 7 April 2005 by the Asian Development Bank (ADB) Board of Directors, provided \$290 million grant financing from the Asian Tsunami Fund to meet the disaster management, rehabilitation, and reconstruction needs. About \$30 million of the grant is allocated for the fisheries sector. The fisheries component of the ETESP will focus on the provision of technical and financial support for production inputs for fishers, rehabilitation of fisheries infrastructure, and restoration of regional fisheries services facilities. This JFPR-financed Project will complement the ETESP by rehabilitation of the natural resources base essential for restoration of livelihoods of fishing communities.

A memorandum of understanding for reprogramming of Coral Reef Rehabilitation and Management Project Phase II (COREMAP II)¹ was signed on 27 January 2005. The tsunami component of COREMAP II includes (i) restoration of livelihood of fisherfolk through the provision of support for repair and purchase of boats and fishing gears, development of mariculture, rehabilitation of mangroves, and development of alternative livelihoods; (ii) rehabilitation of small-scale coastal infrastructure and facilities; (iii) assessment of coastal ecosystems in and around the proposed coral reef protected areas off the North Sumatra and Aceh coasts using the facilities of the research vessel Baruna Jaya; and (iv) program management. The total cost of the component is estimated at \$3 million equivalent. The activities (i) and (ii) are undertaken in selected coastal villages in Nias and Nias Selatan districts in North Sumatra and Simeuleue and Sabang districts in Aceh province. Thus, there is no overlap in geographic coverage of a reprogrammed component of COREMAP II and this proposed JFPR-financed Project. The tsunami component of COREMAP II will provide some technical expertise for the Project in mangrove and coral reef rehabilitation and environmental monitoring of project activities.

Parallel to this Project, another JFPR grant (\$2.5 million) proposal for the Sustainable Livelihood Development for Coastal Communities in the Special Province of Nanggroe Aceh Darussalam is being prepared to assist fishing communities in Aceh Besar and Aceh Utara in the restoration of their livelihoods. This proposed JFPR project will have three components: community empowerment, livelihood restoration and development, and project management support. The project will provide support to the small-scale fishers and fish farmers to rehabilitate and repair about 200 fishing boats; gear and other equipment; about 200 ha of fish ponds and 10 units of mariculture facilities; five community-operated fish landing, storage, and processing areas; and about 10 other facilities for livelihood. Although both JFPR projects will cover Aceh Besar, this will assist different coastal communities thus avoiding overlap. However, the two projects will have the same executing agency (EA), i.e., MMAF, and the same lead NGO, i.e., the Organization for Industrial, Spiritual and Cultural Advancement (OISCA), which will facilitate coordination and monitoring.

¹ ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Indonesia for the Coral Reef Rehabilitation and Management Project, Phase II*. Manila.

Document	Document Number	Date of Last Discussion	Objectives
Earthquake and Tsunami Emergency Support Project	ADB Grant 0002 – INO (SF)	ADB Board Approval on 7 April 2005	The overall objective of the ETESP is to help rebuild the affected regions and support their economic revival to meet the Millennium Development Goals. Its purpose is to (i) facilitate economic revival in the affected regions, through restoration of livelihoods; and (ii) alleviate constraints faced by the lack of adequate public goods and facilities, through restoration of essential public services and rebuilding of infrastructure.
Coral Reef Rehabilitation and Management Project (Phase II)	ADB Loan No. 1962(SF)-INO	Memorandum of understanding between the Government and ADB on reprogramming signed on 27 January 2005	The objectives of COREMAP II are to (i) enhance the national and local capacity to manage the country's coral reef resources; and (ii) rehabilitate and effectively manage priority coral reef ecosystems, thereby raising income levels and improving living conditions of poor coastal communities. COREMAP II is being implemented in Riau, North Sumatra, and West Sumatra.
Sustainable Livelihood Development for Coastal Communities in the Special Province of Nanggroe Aceh Darussalam	Proposed JFPR Grant	The grant proposal was endorsed by the Government of Japan on 11 July 2005	The objectives of the proposed JFPR grant for sustainable livelihood development in Aceh are to provide technical, financial, and production equipment and input assistance to small-scale fishers, fish farmers, and other members of fishing communities in Aceh Besar and Aceh Utara to restore their livelihood assets and income-generating activities.

D. Implementation of the Proposed Grant

The EA for the Project will be MMAF. The coordination of all project activities will be the responsibility of the project management unit (PMU), which will be established in MMAF to support implementation of the ADB-financed ETESP. This PMU will coordinate with BRR established by the Government with responsibility for all disaster management, rehabilitation and reconstruction activities.

The implementing agencies will be the lead NGO (OISCA) and local NGOs, including Panglima Laot, local fisher associations.

The grant will be administered by ADB in accordance with supervisory fiduciary responsibilities for due diligence, economy and efficiency, and compliance with the simplified and expedient procedures permitted under the ADB *Disaster and Emergency Assistance Policy*, ADB's *Loan Disbursement Handbook*, *Guidelines for Procurement*, and the *Guidelines on the Use of Consultants*. To ensure sustainability and to achieve social objectives of the Project, the procurement, specifications, and contract packaging of project components will be adapted to involve local communities and NGOs, use more local knowledge and materials, and use labor-intensive and other technologies. The funds-flow arrangement is presented in Appendix 2. The

EA and implementing agencies were advised of the need to maintain transparency and accountability, as required under ADB's *Anticorruption Policy*, in procuring goods and services. The detailed implementation arrangements are described in Appendix 3.

1. Implementing Agencies

<p>OISCA</p>	<p>Organization for Industrial, Spiritual and Cultural Advancement (OISCA), a Japanese international NGO, to be recruited by ADB under direct selection procedures in accordance with the Guidelines on the Use of Consultants, will be responsible for the day-to-day implementation of the Project as the lead NGO.</p> <p>Established in 1961, OISCA is a voluntary organization, which contributes to environmentally sustainable development through a holistic approach emphasizing the interconnectedness of agriculture, ecological integrity, human spirit, and community development. To accomplish this, OISCA implements and advocates hands-on experiential programs for people of all ages, transmitting knowledge and skills, and cultivating such spiritual qualities as dedication, self-reliance, and universal brother- and sisterhood.</p> <p>OISCA is operating agricultural, rural development, and environmental conservation programs in 13 developing member countries of ADB. OISCA has extensive experience in coastal community development and natural resource management in Indonesia, where it has six development training centers and several development programs for agriculture, forestry, coastal community, and fisheries activities. It has established close links and networks with local NGOs for community mobilization and natural resource management.</p> <p>OISCA's major sources of financial support include the Government of Japan (ministries of Foreign Affairs; of Agriculture, Forestry, and Fisheries; of Manpower; and of Economy and Industry); the private sector; and members' fees.</p>
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	As of end-2004, OISCA had a total of \$12 million equivalent for its operations. In view of its extensive experience and established networks and resources, OISCA is considered by ADB to be the most appropriate organization to lead the implementation of the proposed Project to be financed by the JFPR grant.
Panglima Laot	Panglima Laot, a traditional fishers' organization that existed prior to the disaster, will be engaged at the local level to work with the lead and local NGOs contracted for this Project. There are 147 local autonomous chapters throughout NAD, but overall coordination and synchronization of organizational activities are done at the provincial level. The members are spread throughout the coastal villages of the province and are represented by 173 group leaders. The traditional role of Panglima Laot is mainly resolving conflicts among fisher communities, organizing rescue at sea, serving as liaison between fishers and government agencies, and establishing local rules and regulations for fishers. The credibility of Panglima Laot in rendering services to fisher communities will be crucial in social mobilization activities and in determining transparent and open mechanisms for the delivery of project benefits.

2. Risks Affecting Grant Implementation

Type of Risk	Brief Description	Measures to Mitigate the Risk
Political and institutional	Political instability due to the history of prolonged conflicts in Aceh	The mitigating factor is the level of commitment that the Government has shown in providing relief and humanitarian assistance and its coordination, preparing the rehabilitation and reconstruction strategy, being sensitive to the need for involvement of Acehnese, and mobilizing external assistance. The project design addresses the risk by adopting a fully participatory approach in project design and project implementation. All parties, including national, provincial, and district governments, lead NGO, fisher associations, and local communities have expressed their strong support for the Project.
	Lack of adequate capacity at the local government levels in the	The institutional capacity risk will be mitigated with the help of the ADB-

Type of Risk	Brief Description	Measures to Mitigate the Risk
	<p>project areas.</p> <p>Lack of coordination and cooperation among government, NGOs, fisher associations, and local communities</p>	<p>financed ETESP, which includes support for local government capacity building in all sector and subproject interventions, and provides adequate support for project management and implementation.</p> <p>This risk will be mitigated by aligning implementation arrangements with the ETESP. The project management consultant will be placed in the PMU, which will coordinate with BRR. There will be a clear definition of role and functions of national, provincial, and district governments, NGOs, fisher associations, and local communities in project implementation.</p>
Governance	Problems of corruption. Transparency and accountability of the implementing agencies, and organized communities.	<p>Transparency and audits will mitigate the risk of corruption. Guidelines for accounting and accountability and record keeping will be established by the lead NGO with sound accounting principles. An independent public accountant will be engaged by the EA to conduct yearly financial audits related to project implementation. Annual audits will be undertaken at the end of each year of implementation. Audit reports should include a separate audit opinion on the use of the special account and statement of expenditure procedures. In addition to these measures, ADB and project consultant will closely monitor the use of grant funds and approval of specific project activities and budget. All records, receipts, certificates and other documents related to cash and in-kind assistance will be properly maintained and made available to ADB for verification. Random performance audits will be conducted to ensure funds have need used properly. Disclosure of information to the public will be provided through posting of project inputs on community bulletin boards. The Project will use grievance review and resolution mechanisms adopted under the ETESP.</p>
Infrastructure and safety	Damaged infrastructure may affect the livelihood opportunities.	The social infrastructure developed under the ETESP and other

Type of Risk	Brief Description	Measures to Mitigate the Risk
		government and funding agency-assisted projects will help mitigate this risk.

3. Incremental ADB Costs

Component	Incremental Bank Cost
Amount requested	\$50,000
Justification	To ensure proper supervision and monitoring of grant-funded activities, services of a project management specialist to coordinate overall project implementation are required. This specialist will be required for 12 person-months for intermittent inputs over 2 years, at an estimated cost of \$50,000.
Type of work to be rendered by ADB	The project management consultant will be engaged by ADB in accordance with the <i>Guidelines on the Use of Consultants</i> . The project management specialist will (i) develop a project implementation manual; (ii) assist the lead NGO in preparation of the work plan, implementation schedule, and progress reports; (iii) provide assistance to the lead NGO in procurement of equipment and materials and recruitment of local NGOs based on ADB's relevant policies and guidelines; (iv) monitor, supervise, and coordinate overall project implementation and progress; (v) coordinate with ADB, EA, and the lead NGO; (vi) coordinate with other multilateral and bilateral agencies involved in tsunami emergency assistance; and (vii) assist ADB in conducting inception and regular review missions.

4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable
<ul style="list-style-type: none"> Detailed technical and coastal natural resources assessment conducted for rehabilitation works in each subdistrict Comprehensive project work plan and implementation schedule prepared Local NGOs contracted Coastal natural resources rehabilitation and management plans developed in 30 coastal villages 	<ul style="list-style-type: none"> Inception report Quarterly progress report Annual project review reports Implementation completion memorandum Impact assessment report (including gender indicators) 	<ul style="list-style-type: none"> Project inception stage, annual review missions, and the project completion review The lead NGO will consolidate progress reports from local NGOs and fisher associations and prepare quarterly progress reports to be submitted to the Government and ADB

Key Performance Indicator	Reporting Mechanism	Plan and Timetable
<ul style="list-style-type: none"> • 30 coastal community groups formed and trained for coastal natural resources rehabilitation • At least 1,000 community members trained on sustainable coastal resource management • Alternative livelihood activities identified and implemented in 20 coastal villages • 300 ha of mangroves rehabilitated and managed by coastal communities • 30 ha of coral reefs rehabilitated and managed by coastal communities • Capacity of 10 fisher associations strengthened • Two district-level workshops conducted on sustainable community-based coral reef and mangrove management • Funds budgeted for each component disbursed and utilized • Various reports, including inception, progress, and audit reports, prepared • Detailed impact assessment prepared 		

5. Estimated Disbursement Schedule

Fiscal Year (FY)	Amount (\$)
FY2005	300,000
FY2006	800,000
FY2007	400,000
Total Disbursements	1,500,000

Appendixes

1. Detailed Cost Estimates
2. Funds Flow Arrangement
3. Implementation Arrangements

Summary Cost Table (\$)

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>↓ Inputs / Expenditure category</p> </div> <div style="text-align: center;"> <p>→ Grant Components</p> </div> </div>	Component A Community Organization	Component B Community-based Coastal Management	Component C Grant Management, Monitoring and Audit	Total (Input)	Percent
1. Materials and Other Inputs	170,000	724,360	0	894,360	59.60
2. Equipment and Supplies	0	18,800	15,200	34,000	2.3
3. Training and workshops	22,400	0	8,000	30,400	2.0
4. Consulting Services	8,400	76,200	10,000	94,600	6.3
5. Grant Management	58,280	58,880	232,280	349,440	23.3
7. Contingencies (0-10% of total estimated grant fund)	22,200	55,000	20,000	97,200	6.5
Subtotal JFPR grant financed	281,280	933,240	285,480	1,500,000	
Government contribution	5,200	26,000	36,000	67,200	
NGOs and Fisher Associations Contributions	10,320	3,720	28,320	42,360	
Total Estimated Costs	296,800	962,960	349,800	1,609,560	
Incremental Costs				50,000	3.3

Detailed Cost Estimates (\$)

Code	Supplies and Services Rendered	Costs				Contributions			
		Unit	Quantity Units	Cost per Unit	Total \$	JFPR	Government	NGOs	
						Amount	Method of Procurement		
Component A: Community organization				Subtotal:	274,600	259,080		5,200	10,320
1.1	Materials and Other Inputs								
1.1.1	Nursery (seeds, materials)	Unit	10	5,000	50,000	50,000	DP		
1.1.2	Crab grow-out	Unit	50	1,100	55,000	55,000	DP		
1.1.3	Crab fattening cages	Unit	500	130	65,000	65,000	DP		
1.2	Training, workshops, seminars								
1.2.1	District workshop (venue, 100 participants, 3 resource persons per workshop)	Lump sum	2	1,300	2,600	2,400	DP	200	
1.2.2	Local training (60 participants per training)	Unit	100	200	20,000	20,000	DP		
1.3	Consulting Services								
1.3.1	Sociologist/gender specialist	Person-month	3	1,400	4,200	4,200	SICS		
1.3.2	Social development specialist	Person-month	3	1,400	4,200	4,200	SICS		
1.4	Management and Coordination of this Component								
1.4.1	Local NGO staff	Person-month	72	550	39,600	31,680	DP		7,920
1.4.2	Panglima Laot	Lump sum	10	2,400	24,000	21,600	DP		2,400
1.4.3	Operational cost (travel and per diem)	Lump sum	20	250	5,000	5,000	DP		
1.4.4	Operational cost (regular remuneration)	Lump sum	1	5,000	5,000	0		5,000	
Component B: Community-based coastal resource rehabilitation and management				Subtotal:	907,960	878,240		26,000	3,720
2.1	Materials and Other Inputs								
2.1.1	Seedlings (4,450 units per hectare)	Unit per hectare	300	750	225,000	225,000	DP		
2.1.2	Land preparation	\$ per hectare	300	300	90,000	90,000	DP		
2.1.3	Labor for mangrove rehabilitation	\$ per hectare	300	140	42,000	42,000	DP		
2.1.4	Other rehabilitation inputs (bamboo stick, rope, etc.)	\$ per hectare	300	130	39,000	39,000	DP		
2.1.5	Hut for seedlings	Unit	4	340	1,360	1,360	DP		
2.1.6	Substrates (coral reef seedlings)	Unit per hectare	30	10,000	300,000	300,000	DP		
2.1.7	Labor for coral reef transplantation	\$ per hectare	30	900	27,000	27,000	DP		

Code	Supplies and Services Rendered	Costs				Contributions			
		Unit	Quantity Units	Cost per Unit	Total \$	JFPR		Government	NGOs
						Amount	Method of Procure- ment		
2.2	Equipment and Supplies								
2.2.1	Diving equipment	Lump sum	1	18,800	18,800	18,800	DP		
2.3	Consulting Services								
2.3.1	Marine and mangrove specialist	Person-month	8	1,400	11,200	11,200	SICS		
2.3.2	Detailed technical and environmental assessments	Team	10	3,500	35,000	29,000	SICS	6,000	
2.3.3	Baseline survey and impact assessment	Team	2	18,000	36,000	36,000	SICS		
2.4	Management and Coordination of this Component								
2.4.1	Monitoring	Lump sum	3	4,000	12,000	12,000	DP		
2.4.2	Operational cost (travel and per diem)	Lump sum	20	1,000	20,000	20,000	DP		
2.4.3	Operational cost (regular remuneration, office space)	Lump sum	1	20,000	20,000	0		20,000	
2.4.4	Fisher associations (Panglima Laot) staff	Lump sum	10	2,400	24,000	21,600	DP		2,400
2.4.5	Local NGOs staff	Person-month	12	550	6,600	5,280	DP		1,320
Component C: Project Management, Monitoring and Audit					Subtotal:	329,800	265,480	36,000	28,320
3.1	Equipment and Supplies								
3.1.1	Computer and printer	Unit	3	1,000	3,000	3,000	DP		
3.1.2	Camera	Unit	4	200	800	800	DP		
3.1.3	Facsimile machine	Unit	2	200	400	400	DP		
3.1.4	Stationery	Unit	2	700	1,400	1,400	DP		
3.1.5	Office supplies	Lump sum	24	400	9,600	9,600	DP		
3.2	Training, Workshops, Seminars								
3.2.1	Training of facilitators	Lump sum	20	400	8,000	8,000	DP		
3.3	Consulting Services								
3.3.1	External audit	Person-month	2	5,000	10,000	10,000	SICS		

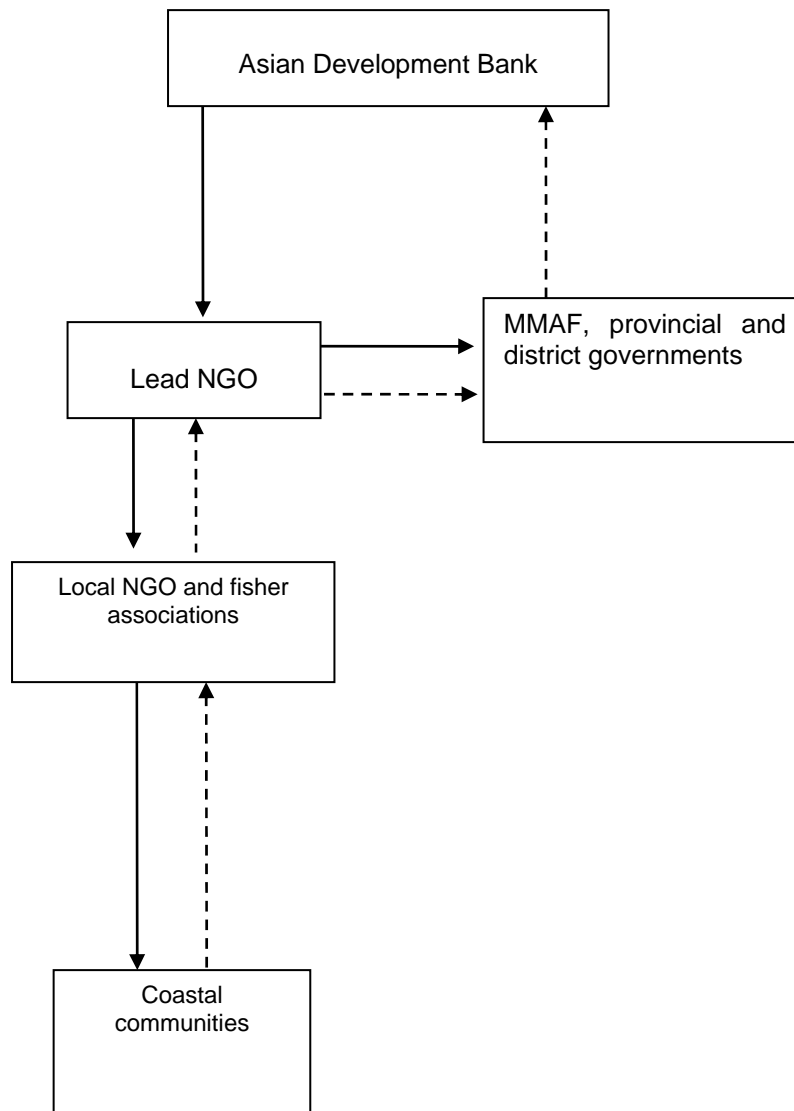
Code	Supplies and Services Rendered	Costs				Contributions			
		Unit	Quantity Units	Cost per Unit	Total \$	JFPR	Government	NGOs	
						Amount	Method of Procurement		
3.4	Management and Coordination of this Component								
3.4.1	Lead NGO staff	Person-month	100	1,800	180,000	153,000	DP	27,000	
3.4.2	Office rent, electricity	\$ per month	24	600	14,400	14,400	DP		
3.4.3	Operational cost (travel and per diem and remuneration)	Lumpsum	24	1,750	42,000	42,000	DP		
3.4.4	Operational cost (regular remuneration and office space)	Lumpsum	24	1,500	36,000	0		36,000	
3.4.5	Local transportation and communication	\$ per month	24	733	17,600	17,600	DP		
3.4.6	Local NGOs staff	Person-month	12	550	6,600	5,280	DP	1,320	
	Components A to C = Subtotal			Sub-total:	1,512,360	1,402,800		67,200	42,360
	Contingency (Maximum 10% of total JFPR Contribution)				97,200	97,200			
	Total Grant Costs			Total:	1,609,560	1,500,000		67,200	42,360
	Incremental Cost Details:								
	Project management specialist	Person-month	12	4,167	50,000	50,000			
	Total Incremental Costs				50,000	50,000			

DP=direct procurement NGO=nongovernment organization SICS=standard individual consultant selection.

Source: Asian Development Bank estimates

FUNDS-FLOW ARRANGEMENT

1. An imprest account will be opened in a commercial bank and operated by the lead implementing agency (lead nongovernment organization [NGO]) through the project management unit established under the Ministry of Marine Affairs and Fisheries, under the statement of expenditure procedures. The special account will be established, managed, replenished, and liquidated in accordance with the provisions set forth in ADB's *Loan Disbursement Handbook*. Local NGOs and fisher associations will prepare budget requirements based on the proposed rehabilitation activities and submit the budget requirements to the lead NGO. The lead NGO with help of a project management consultant will consolidate the budget requirements and forward them to the Executing Agency (EA) for review and approval. Upon its approval, the EA will send a formal request to the Asian Development Bank (ADB) for fund release. The approved budget will be disbursed to the lead NGO, which will maintain separate JFPR accounts for both the lead and local NGOs. The initial fund deposit will be based on the estimated expenditures for 1 year, but will not exceed the equivalent of \$500,000. Future replenishment of the imprest account held by the lead NGO will be based on the liquidation of the special account, while the ceiling of the special account will be adjusted based on the evaluation of previous funds absorption and revised contractual arrangements. The ceiling for the statement expenditures is \$30,000. The funds-flow and disbursement arrangement is shown in Figure A2.
2. The interest earned on JFPR accounts can be used, subject to ADB's approval within the approved total amount of JFPR grant, and any unutilized interest should be returned to the JFPR fund account maintained in ADB, upon completion of the Project and before closing of the JFPR accounts with the implementing agency.
3. Transfers to the independent public accountant will be based on contractual arrangements between that accountant, the EA, and the lead implementing agency, and will be endorsed by ADB.

Figure A2: Funds-Flow Arrangement

Notes:
- - -> Budget approval and reporting
—> Funds flow

MMAF = Ministry of Marine Affairs and Fisheries; NGO = nongovernment organization.

IMPLEMENTATION ARRANGEMENTS

A. Executing and Implementing Agency

1. The Executing Agency (EA) for the Project will be the Ministry of Marine Affairs and Fisheries (MMAF). The coordination of all project activities will be the responsibility of the project management unit (PMU), which will be established in MMAF to support implementation of the Asian Development Bank (ADB)-financed Earthquake and Tsunami Emergency Support Project. The PMU will coordinate with the Rehabilitation and Reconstruction Agency (BRR) for Aceh and Nias established by the Government with responsibility for all disaster management, rehabilitation, and reconstruction activities supported by funding agencies.

2. At a regional level, a regional coordination unit under the overall tsunami emergency assistance coordination body will have senior officials of provincial and district governments, staff of BAPPEDA (regional development planning agency), *dinas Kelautan Dan Perikanan* (provincial/district Marine Affairs and Fisheries Service) and other relevant provincial and district agencies involved in coastal community development, nongovernment organizations (NGOs), or local academic institution representatives and representatives of coastal communities.

3. The implementing agencies of the Project will be the lead NGO (Organization for Industrial, Spiritual and Cultural Advancement [OISCA]), local NGOs, and fisher associations in project areas. OISCA will be directly recruited by ADB as lead implementing agency to implement the JFPR-financed project by providing required capacity building, interregional marketing assistance, and overall local NGO coordination. Local NGOs will be recruited by OISCA to assist in implementation of project activities. Panglima Laot, a fisher association in Aceh, will also be directly selected by OISCA to implement coastal natural resource rehabilitation and alternative livelihood activities. Organized fisher groups will be given priority to be contracted to carry out the rehabilitation and repair work under the JFPR-financed project.

B. Procurement and Consulting Services

4. The grant will be administered by ADB in accordance with supervisory fiduciary responsibilities for due diligence, economy and efficiency, and compliance with the simplified and expedient procedures permitted under the ADB *Disaster and Emergency Assistance Policy*, ADB's *Loan Disbursement Handbook*, *Guidelines for Procurement* and the *Guidelines on the use of Consultants*. A project management consultant will be recruited by ADB. The terms of reference for local NGOs, research institutions, and consultant will be summarized in the project implementation manual to be prepared before project inception.

5. The Project will require consulting services (project management, coastal natural resource management, and social development specialists) to support project management, technical supervision, and skills development; to conduct detailed technical, environmental, and impact assessments; and to design rehabilitation activities. To ensure sustainability and to achieve the social objectives of the Project, procurement, specifications, and contract packaging of project components will be adapted to involve local communities and NGOs, to use local knowledge and materials, and to use labor-intensive and other technologies.

C. Reporting and Project Monitoring

6. The local NGOs will prepare quarterly progress reports. The lead NGO will be responsible for compiling quarterly progress and annual review reports with the assistance of a

project management consultant. These reports will be submitted to the EA and ADB. The quarterly progress reports will include descriptions and evaluations of various project activities implemented during the reporting period. Recommended solutions will be included to address constraints affecting project implementation. An implementation completion memorandum and a project impact assessment report will be prepared by the implementing agency and submitted to the EA and ADB within 3 months after the project has ended.

7. An independent public accountant will be engaged by the EA to conduct yearly financial audits related to project implementation, undertaken at the end of each year of implementation. Audit reports should include a separate audit opinion on the use of the special account and statement of expenditure procedures.

8. Within ADB, a project officer will be assigned to administer the JFPR Project, monitor progress reports, and undertake project review missions. The project officer will be assisted by a project management consultant. Overall administration of the Project and project status reports will be the responsibility of the Agriculture, Environment and Natural Resources Division of the Southeast Asia Department.

D. Implementation Schedule

9. The project will be implemented over 2 years starting in August 2005 and ending in August 2007.