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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
CORAL REEF REHABILITATION AND MANAGEMENT PROGRAM- CORAL TRIANGLE INITIATIVE (COREMAP-CTI)
APPROVED ON FEBRUARY 21, 2014
TO THE
REPUBLIC OF INDONESIA

ENVIRONMENT & NATURAL RESOURCES GLOBAL PRACTICE

EAST ASIA AND PACIFIC REGION

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Acronyms and Abbreviations	
ADB	Asian Development Bank
AOB	Absence of Objection by the Board
APL	Adjustable Program Loan
BNSP	National Agency for Professional Certification
CCRES	Coral Reef and Related Ecosystems Project
CEO	Chief Executive Officer
COREMAP	Coral Reef Rehabilitation and Management Program
COREMAP-CTI	Coral Reef Rehabilitation and Management Program – Coral Triangle Initiative
CRMIS	Coral Reef Management Information System
CQS	Selection based on Consultant’s Qualifications
CTI	Coral Triangle Initiative
DA	Designated Account
DG	Directorate General
DGCF	Directorate General Capture Fisheries
DGMCSI	Directorate General Marine, Coasts and Small Islands
DINAS	Sub-national Government Sub-divisions
EA	Executing Agency
EAFM	Ecosystems Approach to Fisheries Management
EIRR	Economic Internal Rate of Return
ESSF	Environmental and Social Safeguard Framework
FM	Financial Management
GEF	Global Environment Facility
GEF GEO	Global Environment Facility Global Environment Objective
GIS	Geographic Information System
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFR	Interim Financial Reports
IOC	Intergovernmental Oceanographic Commission
IP	Indigenous Peoples
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
KPPN	Treasury Office at the Province or Regency Level
LIPI	Indonesian Institute of Science
Ln/Cr/TF	Loan/Credit/Trust Fund
LSP	Professional Certification Agency
LPSTK	Coral Reef Management Board for the COREMAP-CTI Project
MarBEST	Regional Training and Research Center on Marine Biodiversity and Ecosystem Health
MCA	Marine Conservation Area
MCS	Monitoring, Control and Surveillance
MMAF	Ministry of Marine Affairs and Fisheries
MOF	Ministry of Finance
MTR	Mid Term Review



MU	Moderately Unsatisfactory
NCB	National Competitive Bidding
PDO	Project Development Objective
PIM	Project Implementation Manual
PMU	Project Management Unit
POKMASWAS	Community Surveillance Groups
RP	Restructuring Paper
SATKER	Implementation Unit
SEA	Sustainable Enterprise Alliance
SP2D	Remittance Orders issued by Treasury Office
SPM	Payment Order
SPP	Payment Request
ULP	Procurement Service Unit
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPT	Technical Implementation Unit
USD	United States Dollar
WB	World Bank



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BASIC DATA

Product Information

Project ID P127813	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 21-Feb-2014	Current Closing Date 30-Jun-2019

Organizations

Borrower Republic of Indonesia	Responsible Agency Ministry of Marine Affairs and Fisheries, Indonesian Institute of Science
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Form Type Full Restructuring Paper	Based on the proposed changes this Restructuring type is Level 1
Decision Authority Board/AOB Decision	

Project Development Objective (PDO)

Original PDO

To institutionalize the COREMAP approach of a viable, decentralized and integrated framework for sustainable management of coral reef resources, associated eco-systems and bio-diversity for the welfare of the communities in the selected districts of the respective provinces in Indonesia.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-83360	21-Feb-2014	17-Mar-2014	05-Jun-2014	30-Jun-2019	47.38	15.80	31.58



TF-15470 17-Mar-2014 17-Mar-2014 05-Jun-2014 30-Jun-2019 10.00 4.82 5.18

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

Introduction

1. This Restructuring Paper (RP) seeks the approval of the Board of Executive Directors to restructure the Coral Reef Rehabilitation and Management Program - Coral Triangle Initiative Project (COREMAP-CTI), Loan No. IBRD-83360 and GEF Grant No. TF-15470, in light of the Ministry of Marine Affairs and Fisheries’ (MMAF) exit from the project as Executing Agency (EA) based on its internal policy to no longer access external funds in the form of loans and due to the broad implications of Law No. 23/2014 on the project’s objectives and institutional arrangements.
2. The Level 1 restructuring exercise introduces significant changes to the objectives, scope, scale and nature of the project in order to ameliorate overall project performance, improve the potential for successful achievement of the Project Development Objective (PDO) and to facilitate timely disbursement of the remaining funds.

Project Status and Rationale for Restructuring

3. The project was approved on February 21, 2014 and became effective on June 5, 2014. The project began to experience delays in late 2014 and early 2015 with persistent lags in establishment of the National Steering Committee and Technical Committee and in procuring technical consultants to support implementation of key activities.
4. These early delays were further exacerbated by ongoing and significant lack of proactivity and oversight by MMAF on project implementation throughout 2015 and 2016, coupled with ongoing delays in sub-national implementation of several key project activities, particularly those under Component 3, leading to weak implementation and continuously slow disbursement.
5. These delays culminated in an internal MMAF suspension of all project activities from December 28, 2015 to April 16, 2016, when the Borrower informally proposed a Level 2 restructuring to reflect the impacts of Law No. 23/2014 on project implementation.
6. Law No. 23/2014 effectively shifts management authority over coastal waters out to 12 nautical miles from district to province. With the main focus of the project aimed at institutionalizing the COREMAP approach, which in itself aims at strengthening decentralized coral reef management at the district level, issuance of this Law necessitated a change in project structure, institutional and financial arrangements to reflect the fact that decentralized coral reef management would now be under the purview of the provincial government, not district level government.



7. However, despite the informal proposal from MMAF to restructure the project in early 2016, the Government of Indonesia, through its Ministry of Finance (MOF), did not issue a formal request for restructuring at that time.
8. Ultimately, the impact of the internal MMAF suspension of all project activities lingered until July 2016 due to severe delays in budget transfers to the districts involved in sub-national project implementation. As a result, all project activities stopped from end December 2015 to early July 2016; further worsening project ratings and disbursement levels.
9. The Mid Term Review (MTR) was carried out on schedule and completed in December 2016. The MTR recommended an immediate Level 1 restructuring to address the far ranging impacts of Law No. 23/2014 as well as the ongoing and persistent implementation delays and low disbursement. Both the PDO and Implementation Progress ratings were classified as Moderately Unsatisfactory (MU) in the last Implementation Status and Results Report (ISR) dated October 29, 2016 to reflect the myriad of implementation delays. And, both will be likely downgraded to Unsatisfactory in the current ISR to reflect that, without the proposed restructuring, the project is not expected to achieve its objectives as currently defined. The current percent disbursed of the IBRD Loan is 33.35% and GEF Grant is 48.19%. There are no outstanding commitments against the IBRD Loan. The total value of commitments against the GEF Grant is US\$1,473,147.97. There are 24 outstanding audit findings, totaling \$126,200.55, that remain to be addressed; 5 from the 2014 audit and 19 from the 2015 audit. The Borrower expects that all outstanding audit findings will be addressed by June 30, 2017. There are no outstanding audits for the project.
10. In response to the Government of Indonesia's formal request to restructure the project and the recommendations of the MTR, this restructuring exercise includes simplification and streamlining of activities to address: MMAF's exit, the implications of Law No. 23/2014, and to expedite implementation, improve project ratings and the potential for successful achievement of the PDO as well as post-closure sustainability of project and program results. The Level 1 restructuring will transfer the role of Executing Agency to the Indonesian Institute of Science (LIPI), an entity capable of delivering the project through to closure, in response to MMAF's exit.

II. DESCRIPTION OF PROPOSED CHANGES

Proposed Changes

11. MMAF has formally requested to exit the project and transfer the role of Executing Agency to LIPI, currently one of the project's three National Implementation Units, and the original Executing Agency of the first phase of the COREMAP Adjustable Program Loan (APL).
12. This Level I restructuring introduces a number of significant changes to the project, including: (i) revision of the PDO reflecting a reduced project scope and, as a consequence, revision of component names, activities, costs and results framework; (ii) change of Executing Agency and, as a consequence, modification of implementation, financial management, procurement and disbursement arrangements; and, (iii) 18-month extension of the closing date.
13. An 18-month extension of the closing date is proposed as the restructuring is sufficiently deep that it should put the project back on an implementation trajectory that we expect to fully satisfactory results. The objectives of the project are important to pursue in order to address the fundamental and persistent information and capacity gaps preventing long-term sustainable management of Indonesia's critical coastal ecosystems which are of paramount importance to the more than 10,600 coastal communities whose livelihoods depend on the health of these resources. This extension will also ensure successful delivery and completion of the restructured



project through the entire 2020 calendar year which reflects LIPI's annual budget planning cycle and project execution schedule.

14. Given the depth of the restructuring, the economic, financial, technical and environmental and social analyses have been revised. The Project safeguard instruments are being updated to reflect the modified scope and nature of activities.
15. Request of GEF CEO Re-Endorsement for use of the remaining GEF grant funds given the significant changes to the project as a result of this restructuring exercise has not been received. It has been agreed with the Borrower that the remaining balance of the GEF grant funds will not be used after June 30, 2017 and until such time as the GEF CEO issues formal re-endorsement of the GEF grant for this project. This is expected to be received by August 31, 2017. Specifically, the project will not claim for any activities that would draw on the GEF grant funds money after June 30, 2017 and until the GEF CEO approval is received.
16. This restructuring exercise provides an opportunity to:
 - (i) Simplify project design to ensure achievement of objectives within the remaining life of the project.
 - (ii) Improve potential for post-closure sustainability of the project and program results and outcomes.

Change to the Project Development Objective

17. The restructuring includes a change to the PDO to reflect the change in scope and nature of the project. The current PDO is to institutionalize the COREMAP approach of a viable, decentralized and integrated framework for sustainable management of coral reef resources, associated ecosystems and biodiversity for the welfare of the communities in the selected districts of the respective provinces in Indonesia. The proposed PDO is to strengthen institutional capacity in coastal ecosystems monitoring and research to produce evidence-based resources management information.

Changes to Components and Costs

18. The restructuring includes changes to the vast majority of project activities to be supported under each component. The modifications reflect agreed simplification and streamlining of all project activities. Table 1 includes the list of original and proposed components and activities. Table 2 reflects the original and proposed components and associated costs as well as total cost. Table 3 reflects the original, disbursed (or expended in the case of the Borrower), proposed, pending or cancelled costs of the project.
19. The new component names are as follows:
 - a. Component 1: Institutional Strengthening for Coastal Ecosystems Monitoring
 - b. Component 2: Support for Demand-Driven Coastal Ecosystems Research
 - c. Component 3: Strengthening Institutional Systems for Coastal Ecosystems Monitoring and Research
 - d. Component 4: Project Management



Table 1: Original and Proposed Project Components and Activities

Original	Proposed
Component 1: Institutional Strengthening for Decentralized Coral Reef Management	Component 1: Institutional Strengthening for Coastal Ecosystems Monitoring
Sub-component 1.1: Strengthening and expansion of the COREMAP approach	Sub-component 1.1a: Support for robust coastal ecosystems monitoring
<ul style="list-style-type: none"> • Mainstream and embed a decentralized approach to coral reef ecosystem management within the local government and village program of activities in the villages of the selected districts. • Raise awareness through an outreach program to enable adoption of the COREMAP approach in non-COREMAP villages, including support for a learning network of coastal mayors and village heads informed by COREMAP experience and personnel exchange visits. • Link the Project with country-wide CTI activities. • Transform village level Coral Resources Management Plans to coastal resource management plans that link up with district zoning plans. 	<p>Conduct comprehensive and scientifically robust coastal ecosystems monitoring surveys in 20 locations:</p> <ul style="list-style-type: none"> • 9 districts in Eastern Indonesia (Pangkep, Selayar, Sikka, Buton Induk, Buton Tengah, Buton Selatan, Wakatobi, Biak, Raja Ampat) • 7 marine conservation areas in Eastern Indonesia (Kapoposang, Sawu/Kupang, Aru Tenggara, Banda, Kep. Wayag Sayang (Raja Ampat), SAP Raja Ampat, Padaido) • 4 locations responding to national priorities, including: Spermonde, Lombok/Sekotong, Kendari and Ternate <p>Develop and launch new Coral Reef Health Index:</p>
Sub-Component 1.2 Support for robust ecological and socio-economic monitoring	<ul style="list-style-type: none"> • Developing the new Index: The index will provide a practical approach that will link field data to resources management decision-making and investment. Specific aspects of the proposed metric will include: <ul style="list-style-type: none"> ○ Coral cover (low <10%, medium 11-30, high >30). With criteria chosen based on analysis of all the coral cover data; ○ Potential for coral recovery: different options: <ul style="list-style-type: none"> - algal turf height: good (<4 mm), poor (>4 mm) - fleshy algal cover <=5% good; > 5% poor - evidence of blasting (lots of rubble) = poor, otherwise good - juvenile coral density ○ Total fish biomass (low vs high)
<ul style="list-style-type: none"> • Upgrade coral reef management information systems in terms of content, presentation, access, integration with CTI-based information databases, and to serve as the official repository for coral reef ecological and socio-economic monitoring information • Develop a certification and training program for coral reef monitoring incorporating best practice • Conduct monitoring in collaboration activities with various government agencies, civil society organizations and private organizations • Improve and disseminate coral reef protection education modules for elementary through high schools 	



- Improve communities' knowledge of adaptation measures to respond to coral reef-related climate change impacts.

Sub-component 1.3: Strengthening surveillance of coastal ecosystems

- Develop best practice approaches to marine monitoring, control and surveillance, including regular joint patrols involving the Borrower's navy, DINAS and community participation at the provincial level
- Strengthen local level MCS institutions (Pokmaswas) in project villages, districts, and MCAs
- Provide pokmaswas near violation "hot-spots" and MCS patrols with monitoring and communications equipment
- Support training of coastal police and civil investigators to prosecute violators of laws and regulations related to coral reef management.

Sub-component 1.4: Strengthening technical capacity

- Train MMAF staff in identified core competencies
- Provide short-term training including internship (national and international) on a range of topics to national and district staff, community members, and fisheries extension officers
- Support advanced graduate degree programs on fisheries management for selected national staff of the Directorate General of Capture Fisheries within MMAF

- **Building the bridge between monitoring and management:** The lack of connection between monitoring data and management decisions is a global problem. LIPI's skill in monitoring and interpreting data will help deliver a coral reef management strategy identification tool developed in collaboration with international research partners (e.g., University of Queensland and the WB GEF Coral Reef and Related Ecosystems Project (CCRES)).
- **Centralized online database:** To aid future usage and entering of data by those collecting and using the reef health index, a centralized web-enabled database will be developed by LIPI.
- **Web-based reporting:** For the reef health index to form the basis of a coastal report card. This will be publicly available through an online mapping portal, including InaGeoPortal.

Establish National Coastal Ecosystems Monitoring Certification Standard:

- LIPI will obtain accreditation from the National Agency for Professional Certification (Badan Nasional Sertifikasi Profesi, BNSP), to become the Indonesian Professional Certification Agency for coastal ecosystems monitoring. Certification will be secured for 5 schemes:
 - Assess coral reef conditions
 - Assess biodiversity of coral reef fish species
 - Assess megabenthos
 - Assess mangrove habitat condition
 - Assess seagrass habitat condition
- Develop a long-term staffing and financing plan for the Professional Certification Agency and the national network. LIPI will develop a national professional competency standard.
- Undertake a promotional campaign to launch the national standard.



Establish sub-national training and monitoring plan:

- Establish a national network of 7 assessment centers within existing LIPI partner monitoring institutions (i.e., universities) linked to district and provincial coastal ecosystem monitoring programs under Government’s Marine Affairs and Fisheries Agencies.
- Train and certify at least 25 assessors and 100 surveyors per year.

Sub-component 1.1b: Support for robust coastal ecosystems monitoring

Conduct comprehensive and scientifically robust coastal ecosystems monitoring surveys in 11 specific Western Indonesia locations:

1. 8 districts in Western Indonesia (Tapanuli Tengah, Nias Utara, Mentawai, Batam, Bintan, Lingga, Natuna, Sabang)
2. 3 marine conservation areas in Western Indonesia (Gili Matra, Anambas, Pulau Pieh)

Sub-component 1.2: Strengthen technical capacity for target coastal monitoring end-users

- (i) Award 20 International Masters Degree Scholarships for qualified technical staff of sub-national coastal ecosystems monitoring and management units across Indonesia.
- (ii) Deliver coastal ecosystems monitoring and management training to technical staff of sub-national coastal ecosystems monitoring and management units across Indonesia.



Component 2: Development of Ecosystem Based Resources Management	Component 2: Support for Demand-Driven Coastal Ecosystems Research
<p>Sub-component 2.1: Support Preparation of Zoning Plans</p> <ul style="list-style-type: none"> • Support the preparation and finalization of the zoning plans for the selected districts and for the respective provinces, as needed • Support activities required to draft the final district regulation in each of the selected districts <p>Sub-component 2.2: Application of Integrated Coastal Management (ICM)</p> <ul style="list-style-type: none"> • Provide training and build awareness about integrated coastal management aspects across a range of stakeholders • Support preparation of an integrated coastal management plan for the selected districts, as needed, based on the village level coastal management plans <p>Sub-component 2.3: Management Effectiveness of MCAs</p> <ul style="list-style-type: none"> • Support the preparation and finalization of the zoning and management plans for the national and district MCAs • Carry out investments and activities relating to conservation area management 	<p>Sub-component 2.1: Strengthening institutional systems for demand-driven coastal ecosystems research</p> <p>Strengthen the demand-driven research process, through:</p> <ul style="list-style-type: none"> • Improved engagement with and involvement of end users in defining research priorities and disseminating research outcomes. • Two national symposia per year to enhance cross-sectoral and inter-agency engagement in the coastal ecosystems research prioritization and delivery process. • Demand-driven competitive coastal ecosystems research grants system that awards at least 10 grants per year, LIPI will support implementation of coastal ecosystems research priorities while simultaneously strengthening national research networks and capacity. • LIPI will undertake priority research based on a clear demand-driven basis to produce at least 18 research publications during the life of the project. Indicative studies may include the following themes, among others: climate change, biodiversity, threatened species, marine debris and rights-based fisheries management. <p>Sub-component 2.2: Strengthen technical capacity for coastal ecosystems research</p> <ul style="list-style-type: none"> • LIPI will strengthen its own human resources skills, knowledge and capacity and that of its research partners via delivery of targeted training (e.g., GIS, data analysis, research and laboratory techniques), for at least 100 researchers per year.



- Support preparation of a national strategic action plan for at least three marine threatened species, and implement protection management plans in three selected pilot sites within the selected national and district MCAs.

Sub-component 2.4: Piloting Community Rights-based Approach

- Ascertain the feasibility of the designated pilot areas for community-based approach for the management of marine resources
- Support process of defining and establishing community rights over reef, fishery and associated resources through implementation of two pilots.

Sub-component 2.5: Sustainable Fisheries Management in two fisheries management areas

- Carry out stock assessment and status of selected coral reef fish
- Develop a coral reef fish management plan based on the stock assessments and an eco-system approach to fisheries management for select coral reef fish species
- Assess the district level fisheries performance in selected areas using EAFM indicators
- Train MMAF staff and district fishery officers, and build awareness in relevant stakeholders on EAFM.

- Development of LIPI’s role as a regional center of excellence will be achieved by developing national and international training offerings within the MarBEST Center.

Component 3: Strengthening Sustainable Marine-based Economy

Sub-component 3.1: Creation of basic infrastructure at district and national level MCAs

- Finance basic infrastructure for development of selected district and national MCAs
- Identify and develop the prioritized enabling infrastructure to attract private investment and

Component 3: Strengthening Institutional Systems for Coastal Ecosystems Monitoring and Research

Sub-component 3.1: Strengthening Institutional Capacity for Coastal Ecosystems Monitoring and Research

Investments will upgrade several existing LIPI facilities, as follows:



to support sustainable enterprise alliances development in the eligible districts

- LIPI has several marine and coastal campuses that are in need of upgrading in order for LIPI to become a regional training center of excellence, including:
 - Marine Species Conservation Technical Unit, Bitung, Sulawesi
 - Marine Species Conservation Technical Unit, Biak, Papua
 - Marine Species Conservation Technical Unit, Tual, Maluku
 - Field Research Station, Ternate, North Maluku
 - Marine Bio-Industry Technical Unit, Mataram, Lombok
 - Facilities at LIPI's Ancol Headquarters
- COREMAP established the Coral Reef Information and Training Centre. These facilities have been operational for more than 10 years and require renovation to support LIPI's objective of becoming a regional training center of excellence. As such, the project will finance small civil works to renovate interior training facilities at LIPI's central Jakarta (Jl. Raden Saleh) site and Pulau Pari field station. These renovations will also support development of the MarBEST Regional Training and Research Center and strengthen LIPI's position within the UNESCO/IOC Western Pacific Regional Network.
- The success of the national data repository depends in part on timely and efficient provision of data from regional nodes.
 - LIPI will upgrade and renovate at least 7 regional data nodes within existing institutions (i.e., universities), including through procurement of IT systems.
 - Concurrently, LIPI will establish a sub-national network of 8 data loggers and automated marine monitoring stations/



Sub-component 3.2: Pilot program to test the development of sustainable enterprise alliances

- Carry out a feasibility study for SEA development in eligible districts, and identify and select the different district, location, business enterprise options based on an assessment of district development plans and district level feasibility studies
- Support the establishment of district level associations of village coral resources management committees (LPSTK)
- Support the formation of community groups of eligible beneficiaries
- Promote the establishment of SEAs with private partners selected through a competitive process
- Provision of grants to community groups to finance subprojects
- Support piloting of technological best practice approaches (building from other subproject successes and failures), market development and outreach activities related to the SEAs.

buoys that will input to the national data repository.

Sub-component 3.2: Strengthening Coastal Ecosystems Monitoring and Research Data and Knowledge Networks

- Augment national holdings of coastal ecosystems data and enhance availability to end users by ensuring outputs from competitive grants and demand-driven studies are incorporated into the national data repository.
- Development of a long-term strategy and development plan to meet the growing demand for coastal ecosystems data provision and dissemination that will result from its new mandate from the National Geospatial Agency. LIPI will also commission a review of intellectual property rights and legal requirements associated with data management, and develop data sharing processes, agreements and standards.
- Implement a series of public information and awareness campaigns to enhance public knowledge about coastal ecosystems and the outputs of LIPI’s monitoring and research programs.
- Undertake a “deep dive” study to develop and launch a COREMAP Program legacy campaign to raise awareness of the critical environmental, social and economic importance of coastal ecosystems in Indonesia.

Component 4: Project Management, Coordination and Learning

- Monitoring and evaluation of Project performance
- Learning networks and dissemination of best practices
- Compliance monitoring on safeguards and fiduciary management
- Coordination with the Asian Development Bank and other partners

Component 4: Project Management

- Monitoring and evaluation of project performance
- Compliance monitoring on safeguards and fiduciary management
- Coordination with partners

Table 2: Original and Proposed Project Components and Costs and Total Cost

Original Component Name	Original Cost IBRD + GEF (US\$M) 2014-2017 (Amount IBRD Disbursed)	Proposed Component Name	Proposed Cost IBRD (US\$M) 2017-2020	Total Cost IBRD (US\$M) 2014-2020
Institutional Strengthening for Decentralized Coral Reef Management	15.83 (5.44)	Institutional Strengthening for Coastal Ecosystems Monitoring	8.82	14.26
Development of Ecosystem Based Resources Management	16.64 (5.94)	Support for Demand-Driven Coastal Ecosystems Research	7.15	13.09
Strengthening Sustainable Marine-based Economy	22.76 (0.74)	Strengthening Institutional Systems for Coastal Ecosystems Monitoring and Research	15.05	15.79
Project Management and Coordination, and Learning	7.89 (0.94)	Project Management	3.30	4.24
Total	63.12 (13.06)		34.32	47.38

Table 3 Original and Disbursed/Expended Costs from IBRD, GEF and Borrower

IBRD			GEF			Borrower		
Original	Disbursed	Proposed	Original	Disbursed	Pending Re-endorsement	Original	Expended	Cancelled
47.38	15.80	47.38	10.00	4.82	5.18	5.70	3.42	2.28



Institutional Arrangements

20. The restructuring exercise transfers the role of Executing Agency from MMAF to LIPI. LIPI is currently one of three National Project Implementation Units along with two MMAF departments. The restructuring will expand the role of LIPI's National Project Implementation Unit to become the Project Management Unit (PMU) and dissolve the two MMAF National Project Implementation Units due to the exit of MMAF from the project.
21. LIPI was the original Executing Agency during the first phase of the COREMAP APL and has sufficient capacity to execute the role of Executing Agency under the current phase of the COREMAP APL following the proposed restructuring. LIPI will staff the PMU to ensure sufficient coverage and capacity to implement the project efficiently and effectively through to closure.
22. The current Project Implementation Manual (PIM) will be revised to reflect the scope, scale and nature of the restructured project and changes in institutional arrangements.
23. The World Bank will provide LIPI with training in financial management, procurement and safeguards to ensure sufficient knowledge and capacity amongst the current and new PMU staff in order to assist them in carrying out their respective roles and responsibilities.

Financial Management

24. Unless otherwise stated, the restructured project will adopt the same Financial Management (FM) arrangements agreed at inception.
25. LIPI, which will now house the new PMU, will be responsible for overall project coordination, day-to-day management, budgeting, financial administration, monitoring and reporting. Following government regulations, Satker (Implementation Unit) at LIPI will include government officers with FM functions including: commitment maker, verification officer and treasurer. The PMU will hire a financial management consultant to assist with financial management and disbursement.
26. LIPI is responsible for preparing aggregate Interim Financial Reports (IFR) and submitting them to the Bank on a quarterly basis no later than 45 days after the end of each quarter. Remittance orders (SP2D) issued by Treasury will be used as a basis for preparing a consolidated project financial report and for Designated Account (DA) reconciliation purposes.
27. LIPI will be responsible for preparing annual financial statements for audit purposes. The audit of these statements are carried out by external auditors. The annual audit report will be furnished to the Bank no later than six months after the end of the government's fiscal year.
28. Retroactive Financing: An amount not exceeding US\$100,000 has been provided as Retroactive Financing related to expenditures incurred from January 1, 2017. It is noted that these expenditures are to finance project related activities under the original sub-component 1.2 to support robust ecological and socioeconomic monitoring already implemented by LIPI, but for activities in Western Indonesia sites that are introduced herein under sub-component 1.1b. These expenditures, to be eligible for reimbursement, should: (a) be incurred for the purposes of these specific sites and procured following project Procurement Arrangements; and, (b) be payments made against eligible expenditures on or after January 1, 2017. The retroactive expenditures will be subject to the same systems, controls and eligibility filters. These expenditures will also be subject to regular external project audits.



Disbursement

- 29. The applicable disbursement methods will be: (1) Advance, (2) Direct payment, and (3) Reimbursement. One segregated DA denominated in US dollars will be opened by Directorate General of Treasury, MOF, in Bank Indonesia (the Central Bank). The DA will be solely used to finance eligible project expenditures. The ceiling of the advance to DA will be variable, and the advance(s) will be made on the basis of the six month projected expenditures. The reporting of use of the DA funds and expenditures would be based on the quarterly IFRs, which should be submitted to the Bank no later than 45 days after the end of each quarter. Applications for an advance to the DA shall be submitted together with the reporting on use of DA funds, which will consist of: (a) Interim Financial Reports and list payments for contracts under the Bank’s prior-review, (b) projected expenditures for six months, and (c) DA reconciliation statement.
- 30. All documentation for expenditures, as reported, for disbursements will be retained by LIPI and shall be made available to the auditors for the annual audit and to the Bank and its representative, if requested.
- 31. LIPI, as the PMU, will be responsible for reconciling the DA and preparing applications for withdrawals, duly approved by Directorate General (DG) of the Treasury of MOF, before submission to the Bank. A copy of DA bank statements will be provided to the PMU by the DG Treasury.
- 32. The DG Treasury will authorize its relevant Treasury Office (KPPN) to authorize payments of eligible project expenditures by issuance of SP2D. For this purpose, the DG Treasury shall issue a circular letter to the relevant KPPN Office providing guidelines and criteria for eligible project expenditures in accordance with the Loan Agreement. When expenditures are due for payment, LIPI will prepare SPP (payment request) to the payment officer within the Satker. After document verification, the payment officer will issue the SPM (payment order) together with all supporting documentation for submission to the relevant KPPN. The KPPN checks the budget eligibility and issues the remittance orders issued by the Treasury Office (SP2D) to the KPPN’s operational bank which transfers the funds directly to the payee’s account and arranges for debit of the loan portion to the DA.

Allocation of the Loan Proceeds

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works, Training and Workshops, Consultant Services, Goods, Incremental Operating Costs (<i>pro-memoria</i>)	12,517,620	100%
(2) Grants (<i>pro-memoria</i>)	0	0%
(3) Scholarships (<i>pro-memoria</i>)	444,677	100%
(4) Works, Training and Workshops, Consultant Services, Non-consulting Services , Goods, Scholarships and Incremental Operating Costs	34,417,703	100%
TOTAL AMOUNT	47,380,000	



Note: The project will not finance Grants indicated above in Category 2 going forward and no further expenditures will take place from Category 3 for Scholarships. Under this restructuring exercise, all future scholarships are merged into Category 1 as noted in the table above. Non-consulting services are also added to Category 4 as part of eligible expenditures to be financed under the project.

Procurement

33. Procurement under the restructured project is required to be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and non-Consulting services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014), and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014); and, the provisions stipulated in the Legal Agreement.
34. Contracts to be procured under the project will include goods, civil works, non-consultant services and consultant services. Key contracts include IT and laboratory equipment, renovation of training and research centers and Technical Implementation Units (UPTs), engineering design and supervision consultants, and various individual consultants to support development of systems. The existing ongoing contract of Project Management Consultant is expected to be amended to reflect the requirements of the restructured project. Efforts will be made to combine similar procurement requirements into consolidated packages to enhance competition and minimize the administrative burden of undertaking multiple procurement processes and managing multiple contracts.
35. The revised Procurement Plan, which has been updated based on the procurement requirements of the restructured project, will provide the basis for use of the procurement methods and the Bank's review requirements for each contract package that will be consistent with the Bank's suggested standard thresholds based on project procurement risk. Given the standard nature and relatively small value of the various procurement packages envisioned, it is expected that there will be a sufficient number of consultants, contractors and suppliers in the market to solicit participation in the competitive procurement processes that will mostly be carried out using appropriate simplified methods such as National Competitive Bidding (NCB), Shopping, Selection by Consultant's Qualifications (CQS), and individual consultant selection.
36. The new Executing Agency, LIPI, was previously responsible for procurement under one component of the original project and, after the restructuring it will be responsible for all remaining procurement procedures under the entire project, which will be carried out by the Procurement Service Unit (ULP) in LIPI's head office. LIPI does not have adequate experience in carrying out the full range of procurement expected under the restructured project following the Bank's procurement procedures. For example, it has limited experience in procurement of goods, works and non-consultant services using the Bank's procurement methods.
37. The procurement risk under the proposed restructuring project is deemed to be **High**. Accordingly, LIPI will require additional support to build its capacity in order to carry out the remaining project procurement processes, for which it will need to engage at least one qualified individual procurement consultant with experience in the Bank's procurement procedures to provide the required guidance and support to LIPI's ULP and who should be on board within one month of completion of the project's restructuring.
38. The Bank will strengthen LIPI's capacity in this area by conducting procurement training for the ULP. The Bank's procurement supervision will be conducted at least twice per year, including ex-post reviews of not less than 20 percent of the contracts subject to the Bank's post review.



Environmental and Social Safeguards

39. The revised PDO will be achieved by strengthening national monitoring and research protocols and tools as well as human resource capacity to conduct robust scientific coastal ecosystems monitoring and research activities out to 12 nautical miles at a national scale.
40. Specific interventions will involve strengthening the institutional capacity of the LIPI and associated institutions to generate evidenced-based coastal ecosystems monitoring and research information relevant to resource management decisions through a range of training, certification and collaborative research activities with partner institutions. The restructured project investments will also involve upgrading of a number of existing LIPI monitoring, learning and research facilities and assets as well as equipping a series of sub-national nodes at existing institutional partner sites. In addition, the project will invest in extensive national and regional (East Asia and Western Pacific) training and learning activities.
41. The geographic footprint of the project has been expanded through the restructuring exercise from select sites in Eastern Indonesia to a national scale enabling further improvements in national monitoring and research data availability relevant to end users that operate at a national scale. The geographic expansion also reflects the fact that the Asian Development Bank (ADB) has opted to close its COREMAP CTI Project, leaving Western Indonesia COREMAP CTI sites without further coverage. As such, this restructuring permits for continuation of the original twin coverage of the ADB and World Bank COREMAP CTI project sites, allowing for expansion and improvement of ecosystem monitoring and research activities to take place at all of the original COREMAP CTI sites in Eastern and Western Indonesia.
42. The restructured project will not generate any large-scale, significant nor irreversible environmental and social impacts, therefore the safeguard issues and impacts associated with the project are expected to be minor to moderate, reversible and site-specific. Mitigation measures will be carried out through the set of best practice in the project's Environmental and Social Safeguards Framework (ESSF), which is an annex to the Project Implementation Manual (PIM). The existing project ESSF has been updated to reflect the restructuring, in particular changes made to the type of project activities and institutional arrangements.
43. Experience from the project to date has shown that there are no significant, irreversible adverse impacts resulting from activities implemented. Any adverse environmental impacts are typically site specific and small in scale. And, such impacts can be readily managed locally by adopting screening criteria, good engineering design and construction practices. This will also be the case for the restructured project in which the physical activities are limited to research center/office renovation. Therefore, the project will follow the same principles as the original design. Nonetheless, because of the expansion to a national scope, it is essential to ensure that sufficient attention is paid to application of safeguard guidelines and ongoing monitoring.
44. The majority of social and environmental outcomes generated by the restructuring are expected to be positive. The activities indicated as a result of the restructuring have been simplified in scope, consequently any adverse impacts will be less compared to the original project.
45. Since the project will finance small civil works and Indigenous Peoples (IP) are present in several participating provinces and districts, the safeguard policies triggered remain the same (Environmental Assessment/OP 4.01, Natural Habitats/OP 4.04, Indigenous Peoples/OP 4.10 and Involuntary Resettlement/OP 4.12). There is also no change in the Category B classification of the project, which means no significant adverse environmental or social impacts are anticipated.



Appraisal Summary

46. The original assumptions with respect to the expected impacts of the project are no longer valid given the significant changes in objective, scope, scale and nature made as a result of this restructuring exercise. Ultimately, the project has been simplified to focus investments on the generation of information needed to inform management decisions and interventions to ensure sustainable use and long term viability of Indonesia's coastal ecosystems resources.
47. As presented herein, the proposed changes have been fully appraised. The following sub-sections summarize the main points related to the technical, economic, financial, institutional, fiduciary and overall risks associated with the restructured project further complementing the above sections that present the proposed institutional, safeguards, financial management, disbursement and procurement aspects of the operation going forward.
48. **Technical:** The overall technical design and scope of the project has been refined to focus on strengthening Indonesia's capacity to generate robust coastal ecosystems monitoring and demand-driven priority research to inform ecosystem and coastal resources management decision-making and investment priorities to ensure long-term sustainability of these resources and optimize their use and utility for the prosperity of Indonesian citizens. As such, the technical design will now focus more on upstream generation of scientific-based information and knowledge generation that is needed to ensure sustainable resource management decisions and investments. While this reflects a significant departure from the original project design, the expansion in geographic focus and quality of the coastal ecosystems monitoring work to be financed going forward reflects a positive shift that will bridge the important gains from the earlier phases of the COREMAP APL with the post-closure period wherein sustainability of both Program and Project outcomes will be improved.
49. **Economic and Financial Analysis:** The majority of the basic assumptions regarding project impacts at original design and appraisal are no longer valid due to the significant changes in project scope and the nature of activities post-restructuring. Since the proposed restructuring will no longer generate direct economic and livelihood benefits generated from the expected reduction in destructive fishing nor the economic and financial gains expected from improved fisheries, tourism and other ecosystem services, the total and weighted Economic Internal Rate of Return (EIRR) calculated based on the original project design for Component 1 are no longer valid.
50. However, the EIRR for the original Sub-Component 1.2 does remain valid post-restructuring to a certain extent. That is, the monetary benefit gleaned from investments in human technical capacity development, which support tertiary education abroad remains. Under the restructured project, the new Sub-Component 1.2 invests in strengthening the technical capacity for coastal ecosystems monitoring end users through 20 1.5 year Masters Degree scholarships and a series of national training offerings targeted at additional end users. The original EIRR for estimating returns to education was based on the analysis of Angriest and Kruger (1991) for the United States that found that an additional year of schooling increases earnings by 6.6%. Using this estimate, the total EIRR for this sub-component is calculated at 9.9% because the Masters Degrees to be financed under the restructured project during the remaining life of the project are expected to be for 1.5 years through to completion.
51. For Component 2, the total and weighted EIRR calculated for the original design was based on the primary monetary benefit captured by improved management effectiveness of district and national level Marine Conservation Areas as a result of better management planning and enforcement. However, the restructured project will no longer involve resource management interventions, rather it will generate information that will be used to inform management decisions and actions. As such, the EIRR calculated for Component 2 is no longer



valid. For Component 3, the total and weighted EIRR calculated for the original project design were calculated based on the primary monetary benefits to be generated from subprojects that would support conservation and livelihood and food security improvements of local communities. However, no such tangible and direct community level investments will be made under the restructured project. As such, the EIRR for this component is also no longer valid.

52. Indonesia's coastal ecosystems (i.e., coral reefs, seagrass meadows and mangroves) provide valuable goods and services. Primary scientific research completed in 2002, 2003 and 2011 estimated the annual value of Indonesia's living coastal resources to be approximately US\$2.128 billion, with values for specific resources and services as follows:
- (i) US\$1.5 billion coral reef fisheries
 - (ii) US\$127 million coral reef related tourism
 - (iii) US\$387 million from shoreline protection
 - (iv) US\$115 million from coral reef products
53. This project will produce public goods in the form of longitudinal and comprehensive national coastal ecosystem monitoring systems that generate critical information on the status of Indonesia's living natural coastal resources. These data will inform improved decision-making related to improved management of the county's coastal resources in order to ensure long-term sustainability and robust economic returns from healthy ecosystems.
54. The project's investment in monitoring of the use and sustainability of these assets is US\$7.96 million. Therefore, in terms of a break even analysis, if the resource management monitoring systems developed under this project results in a .004 percent improvement in the annual net benefits gleaned from Indonesia's coastal natural resources, the project would be financially viable.
55. While difficult to estimate the full economic impact of this project in terms of tangible improvements in natural resources use, the required changes in sustainable resource use to make this project economically viable are feasible and likely given strong end user demand for the information to be generated by the project in the area of monitoring. The project uses a least cost approach to provide these public goods.
56. **Institutional:** The Executing Agency will transfer from MMAF to LIPI. LIPI's existing National Project Implementation Unit will be expanded to become a fully-fledged Project Management Unit able to take on all of the project management responsibilities required for efficient and effective project execution. The PMU will have a dedicated team to oversee project management of all activities undertaken by component teams, financial management, safeguards, monitoring and procurement, including contract administration and management, project monitoring and evaluation and, oversight of all engagement, outreach and communication activities. The PMU will also act as the Secretariat for the National Steering Committee and assist the Committee in undertaking its responsibilities. The existing Project Implementation Manual (PIM) is currently being revised to reflect the changes set forth in this RP. It will be finalized no later than September 1, 2017

Key Risks

57. **Overall Risk Rating:** Given the simplicity of project design, the performance of LIPI to date as one of the National Project Implementation Units, as well as the assured demand for project outputs, the overall risk associated



with implementation is remains **Moderate** so as to also reflect the additional institutional capacity and fiduciary risks identified herein. The mitigation measures to reduce the institutional capacity and fiduciary risks are indicated below.

- 58. The institutional capacity risk is remains **Moderate**. This risk rating is associated with the limited timeframe within which LIPI must deliver the key results and achieve the PDO. The Bank and LIPI have already begun to mitigate this risk by: (i) accelerating preparation of the terms of reference required for the various consultancies necessary to prepare the detailed designs of all of the facility upgrading works planned under the project; and, (ii) to pre-identify the 20 Masters Degree candidates who will be supported by the project so as to accelerate enrollment procedures in late 2017 and early 2018. The PIM will include measures to reduce risks associated with financing and planning of the various trainings and competitive research grant issuance and processing timelines and execution for subsequent delivery of completed publications.
- 59. **Fiduciary:** The Procurement Assessment confirmed that LIPI does **not** have adequate experience in carrying out the full range of procurement expected under the restructured project following the Bank’s procurement procedures. The procurement risk under the proposed restructured project is deemed **High**. Accordingly, LIPI will require additional support to build its capacity in order to carry out the remaining project procurement processes, for which it will need to engage at least one qualified individual procurement consultant with experience in the Bank’s procurement procedures to provide the required guidance and support to LIPI’s Procurement Unit, and who should be on board within one month of completion of the project’s restructuring. A Financial Assessment of LIPI’s capacity to meet the Bank’s Financial Management standards was also undertaken. The assessment deemed the FM risk to be **Moderate** given that there will be only one implementing agency and budgeting and payments will be centralized. To mitigate this risk, the PMU will hire a financial management consultant to assist with financial management and disbursement. Overall, fiduciary risk is rated is increased from Moderate to **Substantial**.

I. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Implementing Agency	✓	
Change in Project's Development Objectives	✓	
Change in Results Framework	✓	
Change in Components and Cost	✓	
Change in Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Change in Disbursements Arrangements	✓	
Change in Disbursement Estimates	✓	
Change in Overall Risk Rating	✓	
Change in Legal Covenants	✓	



Change in Institutional Arrangements	✓	
Change in Financial Management	✓	
Change in Procurement	✓	
Change in Implementation Schedule	✓	
Change in Economic and Financial Analysis	✓	
Change in Technical Analysis	✓	
Change in Social Analysis	✓	
Change in Environmental Analysis	✓	
Change in DDO Status		✓
Cancellations Proposed		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)**IMPLEMENTING AGENCY**

Implementing Agency Name	Type	Action
Ministry of Marine Affairs and Fisheries	Implementing Agency	Marked for Deletion
Indonesian Institute of Science	Implementing Agency	New

PROJECT DEVELOPMENT OBJECTIVE**Current PDO**

To institutionalize the COREMAP approach of a viable, decentralized and integrated framework for sustainable management of coral reef resources, associated eco-systems and bio-diversity for the welfare of the communities in the selected districts of the respective provinces in Indonesia.

Proposed New PDO

To strengthen institutional capacity in coastal ecosystems monitoring and research to produce evidence-based resource management information.

RESULTS FRAMEWORK**Project Development Objective Indicators**



Destructive fishing shows a declining trend				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	2014 assessment	Related activities undertook in 2015	Declining trend over the project period	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Marine Conservation Areas Management Effectiveness improved				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	All 13 MCAs has 80% red score status	All MCAs has 100% red score status, with achievement of 25% of yellow level score	All 13MCAs achieve 100% yellow score status with 9 have at least 50% green level score. Of this 9, 4 have at least 10% of blue level score	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Income of COREMAP-CTI beneficiaries increased				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	15.00	Marked for Deletion
Date	31-Dec-2015	30-Sep-2016	28-Jun-2019	
Direct project beneficiaries				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	0.00	Marked for Deletion
Date	30-Jun-2017	29-Jun-2018	31-Dec-2019	
Female beneficiaries				
Unit of Measure: Percentage				
Indicator Type: Custom Supplement				



	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	30.00	Marked for Deletion

Sites at which Indonesia's new Coral Reef Health Index is applied

Unit of Measure: Number

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00		31.00	New
Date	30-Jun-2017		31-Dec-2020	

Coastal ecosystems area under continuous monitoring according to defined criteria

Unit of Measure: Hectare(Ha)

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	6773026.00		9235028.00	New
Date	30-Jun-2017		31-Dec-2020	

Coastal ecosystems research papers published by LIPI and research grant recipients that meet the need for evidence-based resources management information

Unit of Measure: Number

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00		38.00	New
Date	30-Jun-2017		31-Dec-2020	

Intermediate Indicators

Village development plans include line item for support of coastal resources management

Unit of Measure: Number

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	40.00	210.00	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	

Coral reef management at local level institutionalized



Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	40.00	210.00	Marked for Deletion
Date	21-Feb-2014	31-Dec-2015	28-Jun-2019	
Joint patrols for MCS between Navy, district and community-based groups Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	7.00	27.00	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Zoning Plans for districts prepared Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	6.00	12.00	Marked for Deletion
Date	21-Feb-2014	31-Dec-2015	28-Jun-2019	
Marine areas brought under biodiversity protection (ha) Unit of Measure: Hectare(Ha) Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	1400000.00	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Improved management plans prepared or regulations for protection of threatened species promulgated Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	3.00	Marked for Deletion
Date	21-Feb-2014	31-Dec-2015	28-Jun-2019	
Community rights based fisheries management piloted Unit of Measure: Number Indicator Type: Custom				



	Baseline	Actual (Current)	End Target	Action
Value	0.00	1.00	2.00	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Management of bio-diversity conservation piloted				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	3.00	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Sustainable fisheries management implemented in two fishery management areas				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	2.00	Marked for Deletion
Date	21-Feb-2014	31-Dec-2015	28-Jun-2019	
No net loss of mangrove and seagrass habitat				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	2014 percentage cover as baseline	Varies by location	Mangrove and seagrass cover maintained or improved	Marked for Deletion
Date	21-Feb-2014	30-Sep-2016	28-Jun-2019	
Specific coastal ecosystems schemes for which LIPI is accredited as the national certification entity				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		5.00	New
Date	30-Jun-2017		31-Dec-2020	
Assessors and surveyors certified in coastal ecosystems monitoring by LIPI				
Unit of Measure: Number				



Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		250.00	New
Date	30-Jun-2017		31-Dec-2020	
Researchers trained by LIPI in coastal ecosystem research techniques Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		240.00	New
Date	30-Jun-2017		31-Dec-2020	
LIPI coastal monitoring and research infrastructure assets upgraded Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		8.00	New
Date	30-Jun-2017		31-Dec-2020	
Coastal ecosystems monitoring surveys completed Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	16.00		93.00	New
Date	30-Jun-2017		31-Dec-2020	
Sub-national assesment centers established by LIPI Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		7.00	New
Date	30-Jun-2017		31-Dec-2020	
Demand-driven coastal ecosystems research grants awarded by LIPI Unit of Measure: Number Indicator Type: Custom				



	Baseline	Actual (Current)	End Target	Action
Value	0.00		20.00	New
Date	30-Jun-2017		31-Dec-2020	
Sub-national data nodes within existing institutions established by LIPI				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		7.00	New
Date	30-Jun-2017		31-Dec-2020	

Global Environment Objective Indicators

Coral reef Health Status in COREMAP-CTI management areas improved				
Unit of Measure: Text				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	2014 status of sites	Varies by location.	Reef health status improved in at least 70% of the project sites	Marked for Deletion
Date	21-Feb-2014	31-Dec-2015	28-Jun-2019	

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Institutional Strengthening for Decentralized Coral Reef Management	15.83	Revised	Institutional Strengthening for Coastal Ecosystems Monitoring	14.26
Development of Eco-system Based Resources Management	16.64	Revised	Support for Demand-Driven Coastal Ecosystems Research	13.09
Strengthening Sustainable Marine-based Economy	22.76	Revised	Strengthening Institutional Systems for Coastal Ecosystems Monitoring and Research	15.79
Project Management and Coordination, and Learning	7.89	Revised	Project Management	4.24
TOTAL	63.12			47.38

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-83360	Effective	30-Jun-2019		31-Dec-2020	30-Apr-2021
TF-15470	Effective	30-Jun-2019		31-Dec-2020	30-Apr-2021

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed
IBRD-83360-001 Currency: USD					
iLap Category Sequence No: 1		Current Expenditure Category: IBRD 83360 WORKS,TR&WS,CS,GOODS,IOC			
	34,043,000.00	12,517,620.00	12,517,620.00	100.00	100
iLap Category Sequence No: 2		Current Expenditure Category: IBRD 83360 GRANTS			
	11,045,000.00	0.00	0.00	100.00	0
iLap Category Sequence No: 3		Current Expenditure Category: IBRD 83360 SCHOLARSHIPS			
	2,292,000.00	444,676.72	444,676.72	100.00	0
iLap Category Sequence No: 4		Current Expenditure Category: Works, Training and Workshops, Consultant Services, Non-consulting Services, Goods, Scholarships and Incremental Operati			
	0.00	0.00	34,417,703.28		100
Total	47,380,000.00	12,962,296.72	47,380,000.00		

TF-15470-001 | Currency: USD

iLap Category Sequence No: 1 | Current Expenditure Category: TF 15470 WORKS,TR&WS,CS,GOODS,IOC



	10,000,000.00	3,431,646.11	10,000,000.00	100.00	100
iLap Category Sequence No: 2			Current Expenditure Category: TF 15470 GRANTS		
	0.00	0.00	0.00	100.00	0
iLap Category Sequence No: 3			Current Expenditure Category: TF 15470 SCHOLARSHIPS		
	0.00	0.00	0.00	100.00	0
Total	10,000,000.00	3,431,646.11	10,000,000.00		

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Year	Current	Proposed
2014	1,600,000.00	0.00
2015	12,000,000.00	6,500,000.00
2016	12,300,000.00	6,700,000.00
2017	10,500,000.00	4,180,000.00
2018	10,280,000.00	10,000,000.00
2019	700,000.00	10,000,000.00
2020	0.00	10,000,000.00
2021	0.00	0.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance		● Low
Macroeconomic		● Low
Sector Strategies and Policies		● Low



Technical Design of Project or Program	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate
Fiduciary	● Substantial
Environment and Social	● Low
Stakeholders	● Low
Other	
Overall	● Moderate

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
IBRD-83360	Finance Agreement: Schedule 2, Section IV, B (c) Description :No withdrawal shall be made under Category (2) unless the Borrower has prepared an SEA Development Manual acceptable to the Borrower and the Bank.	Complied with	Marked for Deletion
IBRD-83360	Finance Agreement: Schedule 2, Section I, B 4 Description :Coastal ecosystem surveillance activities under Part 1.3 (i) shall be carried out within 12 nautical miles of the coast, and (ii) where patrols have multiple tasks, accounts will be kept to demonstrate the proper use of loan financing. Frequency :CONTINUOUS	Complied with	Marked for Deletion
IBRD-83360	Finance Agreement :Schedule 2, Section II A Description :Project progress report for each calendar semester to be submitted within one month from the end of that semester. Frequency: Semi-Annual	Partially complied with	No Change
IBRD-83360	Financing Agreement: Schedule 2, Section I A, Line 5, Description: No later than September 1, 2017, the Borrower, through LIPI, shall submit to the Bank for the Bank’s agreement, the update to the Project	Not yet due	New



	Implementation Manual to reflect compliance with the terms of this Agreement.		
IBRD-83360	Financing Agreement: Schedule 2, Section I A, Line 6 Description: No later than August 1, 2017, the Borrower, through LIPI, shall hire at least one qualified individual procurement consultant for the purposes of the Project implementation.	Not yet due	New