**Project Identification Form (PIF)**

**Project Type: Full-Sized Project**

**Type of Trust Fund: Special Climate Change Fund**



**PART I: Project Identification**

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| --- | --- | --- | --- |
| Project Title: | Strategic Planning and Action to strengthen climate Resilience of rural Communities in Nusa Tenggara Timor province (SPARC) | | |
| Country: | Indonesia | GEF Project ID: | 4340 |
| GEF Agency: | UNDP | GEF Agency Project ID: | 4549 |
| Other Executing Partner(s): | NTT Development Planning Agency (BAPPEDA) | Submission Date: | 8/27/10 & 10/20/10 |
| GEF Focal Area (s): | SCCF | Project Duration: | 48 months |
| Name of parent program (if applicable): | N/A | Agency Fee: | US$500,000 |

1. **Focal Area strategy Framework:**

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| --- | --- | --- | --- | --- |
| Focal Area Objectives | Expected FA Outcomes | Expected FA Outputs | Indicative Financing from relevant TF (GEF, LDCF, SCCF)($) | Indicative Co Financing($) |
| CCA-2: Increase adaptive capacity to respond to the impacts of climate change, including variability at local, national, regional and global levels | Mainstreamed adaptation in broader development frameworks at country level and in targeted vulnerable areas | |  | | --- | | Adaptation measures and necessary budget allocations included in relevant frameworks | | 1,200,000 | 20,370,000 |
| CCA-2: Increase adaptive capacity to respond to the impacts of climate change, including variability at local, national, regional and global levels | Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas | Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability. | 3,450,000 | 31,600,000 |
| Project management cost | | | 350,000 | 2,830,000 |
| **Total project costs** | | | 5,000,000 | 54,800,000 |

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1. **Project Framework**

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| Project Objective: Enable the NTT province to strengthen climate Resilience of rural Communities in Nusa Tenggara Timor province | | | | | |
| Project Component | Grant Type (TA/INV) | Expected Outcomes | Expected Outputs | Indicative Financing from relevant TF (GEF, LDCF,SCCF)($) | Indicative Co Financing($) |
| Capacity Development | TA | 1. Increased understanding and capacity to plan for climate induced threats and risk reduction responses affecting vulnerable areas and communities in NTT. | • Provincial platform for multi-stakeholder dialogue, coordination and awareness raising established, with links to community, local, national and regional networks for dissemination of knowledge and best practice.  • A training programme on climate change adaptation developed and institutionalized in the province and 300 persons from government agencies, universities and CSOs trained.  • Provincial and district systems in place for the analysis and monitoring of climate change risks, vulnerabilities and impacts | 600,000 | 5,720,000 |
| Planning and Policy | TA | 2. Local government and rural communities have integrated climate resilience actions in their development policies, plans and programmes | • Provincial government has identified key-policies and programmes at risk, possible adaptation measures and necessary budgetary allocations.  • District governments (3 districts) have identified key programmes at risk, priority adaptation measures and made necessary budgetary allocations for managing such risks.  • At least 60 villages have integrated adaptation measures in their community vision maps (Law 32/2004) under implementation. | 600,000 | 14,050,000 |
| Community based pilots | TA | 3. Livelihoods and sources of income diversified and strengthened for vulnerable rural communities in 3 districts | • In at least 60 villages, rural livelihood practices and systems, that have been developed and tested on social, economic and environmental terms, are adjusted to more variable and extreme climatic conditions.  • In at least 30 villages, critical water harvesting and storage facilities have been rehabilitated taking into account projected changes in rainfall patterns.  • In at least 60 villages diversified and ‘off-farm’ livelihood options less sensitive to climate have been developed and tested as assessed for economic feasibility.  • An effective climate risk knowledge management system covering three districts has been established | 3,450,000 | 32,200,000 |
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| Project management cost | | | | 350,000 | 2,830,000 |
| **Total project costs** | | | | 5,000,000 | 54,800,000 |

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1. **Indicative** [**Co-financing**](http://gefweb.org/Documents/Council_Documents/GEF_C21/C.20.6.Rev.1.pdf) **for the project by source and by name if available, ($)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sources of Co-financing** | **Name of Co-financier** | **Type of Co-financing** | **Amount ($)** |
| Local Government | West Nusa Tenggara Province | Parallel and in-kind | 28,000,000 |
| Multilateral agency | UNDP | Parallel and cash | 26,800,000 |
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| **Total Co-financing** |  |  | 54,800,000 |

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1. **GEF Resources Requested by Agency, Focal Area(s) and Country**

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| --- | --- | --- | --- | --- | --- | --- |
| **GEF Agency** | **Type of Trust Fund** | **Focal area** | **Country name/Global** | **Project amount (a)** | **Agency Fee (b)** | **Total c=a+b** |
| UNDP |  |  | Indonesia | 5,000,000 | 500,000 | 5,500,000 |
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| **Total GEF Resources:** | | | | 5,000,000 | 500,000 | 5,500,000 |



**part ii: project JustiFication**

1. **consistency of the** **project with:**

**a.1.2. The ldcf/sccf eligibility criteria and priorities:**

The project will implement priority adaptation interventions as identified by Indonesia’s Second National Communications (2010) and therefore satisfies criteria outlined in UNFCCC Decision 7/CP.7 and GEF/C.24/12. Through alignment with existing national and local government programmes on rural development and poverty alleviation, and donor funded programs on governance, natural resources, climate change, and disaster risk reduction, it will improve the resilience and adaptive value of ongoing government investments and provide a case for the leveraging of additional bilateral and multilateral resources

The project is consistent with the eligibility criteria for the SCCF, as laid out in GEF/C.24/12 (paragraph 40), in that the project is:

* country-driven, cost-effective and integrated into national sustainable development and poverty-reduction strategies; and
* takes into account national communications and other relevant studies and information.

The project will also serve as a catalyst to leverage additional resources, and efforts have been made to maximize co-financing from other sources (GEF/C.24/12, paragraph 25). The selected sectors are in line with priorities outlined in paragraph 44 of the GEF/C.24/12 document.

**A.2. national strategies and plans or reports and assessments under relevant   
conventions, if applicable:**

Internationally, Indonesia is showing strong commitment and leadership to address climate change. It hosted the Conference of Parties in 2007 (COP-13) and the resulting Bali Action Plan was a milestone for achieving stronger recognition for the need to support countries to adapt to climate change.

In 2007, Indonesia launched its National Action Plan addressing Climate Change that highlights the need to integrate climate change adaptation in development planning. Following that, the country has developed a progressive policy framework for climate change (Indonesia Climate Change Roadmap) which lays down the principles, approach and priorities to mainstream climate change in development planning (National Development Planning Agency BAPPENAS, 2009).

The Climate Change roadmap prioritizes four areas of intervention for adaptation, including food insecure areas in eastern Indonesia which includes Nusa Tenggara Timor (NTT) province. Indonesia’s Second National Communications to the UNFCCC (in printing; 2010) confirms this and highlights the urgency of the situation in NTT and calls for efforts to enhance local capacity on NTT to adapt to the changing climate. The SPARC project is specifically designed to do so and has been developed as per request from the Governor of NTT.

In the Medium Term Development Plan 2009-2013, the Governor of NTT is prioritizing the following issues: poverty alleviation through economic development, strengthened natural resources management, enhanced food and water security, and improved agricultural production (maize, cattle, and diversification). Furthermore the Governor of NTT has issued a guideline for “self-sustained village through provision of budget for peoples welfare in NTT 2011-2013”, allocating USD 25,000 to 1000 of the poorest villages throughout the province. As per request from the provincial development planning agency BAPPEDA, the SPARC project will provide expertise, knowledge and information and hands-on support to integrate climate resilience in this sub-national government programme.

To date concrete action on the ground to increase resilience of vulnerable communities has been very limited. This is a major concern for a number of provinces in Indonesia, particularly for NTT which is one of the poorest and most vulnerable provinces in Indonesia. Whereas the Human Development Index (HDI) of Indonesia is 0.728, the HDI for NTT is 0.648 which places NTT in the same range as Lao PDR and Bhutan. The SPARC project would be the first full size adaptation project in Indonesia, and it would work directly at the sub-national level with local authorities and communities. The approach is fully in line with the ongoing process of decentralization in Indonesia where sub-national authorities are gradually gaining more decision making power and responsibility.

**Project Overview:**

**B.1. Describe the baseline project and the problem that it seeks to address:**

Development in the NTT has been stagnating for quite some time. It is one of the poorest provinces in Indonesia, with a poverty incidence of 25.7%[[1]](#footnote-1) as compared to 16% nationally. In particular, in the western part of Timor Island, where livelihoods are overwhelmingly dependent on agriculture (80%), erratic climate and extreme events regularly cause crop failure, placing many at risk of food insecurity. The vulnerability of the areas to exogenous and long-term change is underlined in low to extremely low income levels and food insecurity. A UN funded survey showed that the proportion of households that spent more than 75% of their income on food was quite high at 45% while more than 80% of the households spent more than 50% or of their income on food.

Scientific evidence has shown that NTT is already facing significant changes in rainfall patterns with the following trends: rainfall has become more erratic and unpredictable, resulting in greater uncertainties about when to plant and harvest; while peak rainfall in the rainy season has become more extreme, exposing NTT to higher flood risks. NTT has also been found to be one of the provinces most strongly affected by the occurrence of extreme climate events due to ENSO, leading to a deepening of the existing food security and malnutrition crisis.

Long term development trends indicate that human development is stagnating across the Province, and this correlates with the observed increased incidence and severity of extreme climatic events. Data from NTT clearly indicate that climate risks and impacts have also led to changing gender roles by undermining the food security of households and leading to dwindling asset bases, especially those controlled by women such as seed, cloth and small livestock. These assets are often sold during times of food shortages. However, the higher frequency of extreme climate events in NTT has meant that households are unable to recover their asset base, thus leading to further marginalization of women.

Furthermore, population growth and poor environmental management are accelerating environmental degradation and have aggravated impacts. This in turn has led to productivity decline and increased poverty, reducing resilience to climate risks. This has had a significant humanitarian impact which is undermining the ability of the provincial government of NTT to meet its Millennium Development Goals (MDGs).

**Preferred solution**

The government of NTT has become aware of the linkages between climate change and the worsening trends in food security, and acknowledges the need for a more holistic and bottom-up approach for rural development. Recently, it has shown strong commitment to address these issues, and aims to integrate them in the implementation of the medium-term development plan 2009-2013. The latter is of great importance as that would allow for the adjustment of provincial and local government policies, programs, resource allocations, and initiate community based actions to strengthen climate resilience. Within this context the Province needs to develop the knowledge, tools, skills base and systems to progressively increase the resilience of vulnerable rural communities to climate risks through a mix of policy reforms, planning measures, capacity development and the introduction of new adaptation technologies and livelihood options.

**Barriers**

NTT is facing multiple barriers to the achievement of strengthened climate resilience which can be summarized as follows:

**Institutional barriers**: currently there are no institutional arrangements and partnerships in place to plan, coordinate and implement action on climate change adaptation. Various relevant institutions such as the meteorological institute and agricultural research centre are involved in related issues, but work in isolation and with limited technical capacity.

**Policy barriers:** the provincial government has indicated its commitment to integrate climate resilience in development planning, but has not yet issued any specific guidance, policies or measures to support district governments and communities to take actions for enhancing climate resilience.

**Individual barriers:** individual awareness and capacity in regard to climate change, and options to enhance climate resilience, are very limited.

**Financial barriers:** currently, the provincial and district government have not incorporated climate resilience in budgeting.

**Technological barriers**: currently there is no systematic approach in place to develop new climate-resilient soft (information) and hard technologies and practices.

**Informational barriers:** although some basic information is available on possible climate risks in NTT, these are insufficient in terms of quality, quantity and dissemination amongst stakeholders for planning and management of climate resilient development.

**Project Strategy**

The project will apply a holistic approach to improve rural livelihoods and food security by strengthening climate resilience. It will work simultaneously at the policy and grassroots levels. It will create continuous dialogue between these levels and stakeholders involved to ensure that policies to be developed or revised are based on needs and lessons learned from the grassroots.

Through the mechanism of pilot and demonstration work in communities across three target districts, together with systematic dissemination of lessons and experiences, new climate resilient approaches will be extended to a much larger rural constituency across NTT. These approaches will first be identified and analyzed in a participatory manner then crafted around existing livelihood systems and coping strategies. The proposed training programme for government, NGO/CSO and academia will be based on these pilots and demonstrations which will also function as field schools.

The project will design and establish a provincial level mechanism for sharing knowledge and experience, most likely based in an existing academic institution for longer term sustainability. This knowledge sharing platform will be linked to relevant regional platforms that already exist and can provide access to similar initiatives emerging throughout South East Asia. The Climate Change Adaptation Knowledge Platform supported by SIDA and SEI is one example of a network currently active in South East Asia.

With emphasis on community empowerment and community driven action, local volunteers will play an important role. The scope will be to reinforce local ownership and mobilize communities to be active participants through volunteer action in the process of adaptation to climate change though knowledge generation and management and capacity building, ensuring that vulnerable groups have the opportunity to participate in decision-making processes that affect their lives.

As per request from the provincial development planning agency BAPPEDA, the SPARC project will link directly with the rural development programme recently launched by the Governor of NTT, “self-sustained village through provision of budget for peoples welfare in NTT 2011-2013”. As such, SPARC will leverage 25 million USD government funded development support to 1000 of the poorest rural communities in NTT.

**B.2.** [**Additional cost reasoning**](http://gefweb.org/uploadedFiles/Documents/Council_Documents__(PDF_DOC)/GEF_31/C.31.12%20Operational%20Guidelines%20for%20Incremental%20Costs.pdf)**:**

The project requests the SCCF to finance the additional costs of achieving sustainable development imposed on NTT province by the impacts of climate change. The approach is country-driven and will increase climate resilience of rural livelihoods though community based adaptation actions and integration of climate change adaptation in local development planning, programmes and policies.

*Project Objective: To enable the NTT province to strengthen climate resilience of rural Communities in Nusa Tenggara Timor province to improve livelihood, food, and water security.*

**Outcome 1: Capacity developed to integrate climate resilience in sustainable development planning at provincial level**

*Baseline*

It is widely recognized that NTT’s socioeconomic development is closely linked to climatic conditions, but that the linkages between development, poverty and climate are not well understood. Awareness of climate change, vulnerabilities and adaptation is limited to only a few individuals and institutions in NTT. Weather forecast information is not effectively disseminated and often does not correspond in terms of timing and content with what is most needed by communities on the ground. Communities tend to depend on local knowledge in predicting the weather. There is no organized system in place to compile and disseminate good practices and learning within the Province while linkages with other Provinces and the national level are equally weak. Therefore, technical knowledge and institutional capacity to address climate risks and integrate such risk into policy, planning and action is very limited. Although there are good intentions in the province, the government of NTT and its communities are not currently able to take the necessary measures to plan effectively for future climate risks and potentially to take advantage of related opportunities. Recent consultation with NTT Development Board (BAPPEDA) revealed that many ongoing projects in NTT are not based on integrated planning, resulting in scattered projects and minimum impact. BAPPEDA also recognizes that climate risks are not yet taken into account in the planning process due to lack of data and technical capacity for such planning. Indonesia’s National Communications projects (SNC and TNC) to the UNFCCC do provide an overview of likely changes in key climatic parameters for the region as well as initial vulnerability analysis; and these are important starting points for the capacity development process. The SNC has also been able to strengthen linkages between the national ministry of the environment and hydro meteorological services based in Kupang. The UNDP-BAPPENAS Art-Gold Programme is establishing improved coordination mechanisms for dialogue on development planning with a focus on increased transparency and participation. In NTT this effort is focusing on strengthening linkages between the Province and districts particularly in the area of economic diversification away from over-reliance on the agricultural sector. A key initiative under Art-Gold during 2010 therefore has been support for the promotion of local businesses in Kupang.

*Additional cost reasoning*

Outcome 1 will generate a platform for dialogue, coordination, knowledge sharing and greater awareness among project stakeholders about climate change and its linkages to development and peoples’ daily life and future. It will create the knowledge base and the necessary technical capacity to formulate and implement a strategy on sustainable development in NTT in a changing climate. A training programme on climate change adaptation will be developed and institutionalized across the province with more than 300 persons from government agencies, universities and CSOs trained. Provincial systems will be strengthened to assess and monitor climate change risks, vulnerabilities and impacts. Outcome 1 will also provide a mechanism for systematic dissemination of learning to communities, extension workers, planners and policy makers across all districts in NTT. It will ensure that adaptation best practices and lessons learned are collated and turned into knowledge products that can be distributed through local national and regional networks. Linkages between NTT government and regional available meteorological and early warning systems and services will also be strengthened, as an alternative to building up local capacity in these areas.

**Outcome 2: Local government and rural communities have integrated climate resilience actions in their development plans**

*Baseline*

NTT is moving towards a more holistic bottom up development approach, highlighting the location specific needs and diversity of its communities. Recently issued development plans emphasise economic development, food and water security, agriculture and natural resources management. But although all these priorities are vulnerable to climate risks no concrete plans or investments exist to build resilience into existing development plans, policies and community based actions. The business as usual of NTT development is to solve sectoral problems in the form of a ‘crash programme’, focusing on promoting corn cultivation and livestock across the Province. In addition, the Medium Term Development Plan of NTT 2009-2013 focuses on village-based development consisting of distributions of $25,000 to each village, targeting 300 villages in 2010 and a further 700 villages over the remaining period of the programme. The grants are designed to support the concept of the self sustaining village economy providing an important starting point for the introduction of additional measures to address climate risks. Furthermore the BAPPENAS led Art-Gold Programme in NTT and Gorontalo is establishing strengthened coordination mechanisms for development planning within the Province, with a specific focus on economic diversification through the promotion of local economy and business. These mechanisms and groups will be used by the SCCF project to introduce climate resilience principles into development planning.

*Additional cost reasoning*

Outcome 2 will assist government and communities with identifying and planning cost effective adaptation actions. It will use a gender sensitive multi-stakeholder approach to identify and discuss options to integrate climate resilience based on the results of the in-depth climate change assessment. It will result in concrete plans and proposals from government and communities to take action. Local governments (3 districts: Belu, East Sumbawa and Lumbata) will be supported in identifying key existing policies and programmes at risk, as well as implementing priority measures to reduce those risks. Up to 300 community facilitators and extension workers will be trained to assist communities to integrate adaptation in their livelihoods strategies, and at least 60 villages will be supported in integrating adaptation measures in their community vision maps (Law 32/2004) and submitted these for financing.

**Outcome 3: Livelihoods and sources of income diversified and strengthened for vulnerable rural communities in three districts**

*Baseline*

Local communities have limited capacity and resources to cope with climate risks due to a lack of applicable knowledge, technology, and finance. Although local governments are recognizing the need for long term approaches to food insecurity, implementation is hampered by the limited reach and relevance of services to communities, such as provision of useful climate information, access to technology, access to capital, and opportunities for livelihood diversification. Furthermore not enough is known about existing community knowledge and coping strategies and how these can be evolved to better address emerging climatic risks. Special allocations from Ministry of Disadvantaged Regions, Coordinating Ministry for Economic Affairs, Ministry of Agriculture for food security and water infrastructure are the main sources in the provincial budget to maintain the community’s livelihood. In addition, the self sustaining village programme grants will provide a more comprehensive coverage of support and include the village based development institutions necessary to identify priorities, implement and monitor actions on the ground. These institutions provide a key entry for the provision of additional support on climate resilience through the SCCF project. The UNREDD programme in Indonesia is helping to establish transparent REDD architecture together with fair payment systems at Province level thereby supporting the emergence of additional livelihood opportunities.

*Additional cost reasoning*

Under this outcome, communities will learn to apply climate knowledge, adaptive technology and finance based on the needs they have identified. Intensive facilitation at the community level will take place, and special attention will be given to the needs of women and ensuring their active participation throughout the process. Carefully guided implementation of demonstration actions to increase climate resilience of these communities will showcase the effectiveness that will then provide scope for replication to the rest of NTT. In at least 60 villages within the selected districts, rural livelihood practices adjusted to extreme climate conditions will be developed, assessed and tested on social, environmental and economic terms. Livelihoods activities in NTT are highly dependent on subsistence agriculture including annual food crops, livestock (particularly pigs) and the extensive use of forest products. Seasonal burning is a common land management practice. This traditional and highly vulnerable livelihood system provides the starting point for identifying a range of measures to increase resilience. The approach taken to identifying these measures will combine use of improved seasonal climate forecasting and vulnerability assessment (including food security forecasting) with participatory, action-based research with farmers and communities that builds ownership and empowers stakeholders to actively engage in and eventually lead the process. For example there exists considerable potential for developing agro-forestry based on a combination of high value tree products with improved forage, as well as more intensive livestock management. Additional measures to promote economic diversification could include culture based fisheries, small scale agro-processing and promotion of linkages with agri-business through contract farming. Seasonal burning is also largely un-managed and therefore effective fire management will provide another important entry point for increasing resilience for which more comprehensive sustainable land management approaches (reducing erosion, increasing soil fertility, reducing crop losses) will be introduced through the establishment of a provincial platform for multi-stakeholder dialogue and coordination, and the integration of SLM principles into demonstration activities. In at least 30 villages, water harvesting and storage facilities will be rehabilitated taking into account projected changes in rainfall and runoff, while additional livelihood options (including off-farm activities) that are less sensitive to climate change will be developed and tested. This outcome will also include the establishment and piloting of climate risk knowledge management systems serving vulnerable communities in three target districts. The central element to this system will be improved early warning associated with projected increasing climate variability through the provision of better short term and seasonal weather forecasting.

**B.3. socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of adaptation benefits (LDCF/SCCF).**

The project will deliver measureable socioeconomic benefits to at least 120 villages with a total population of more than 200,000: In at least 60 villages, agricultural practices more resilient to climate will be piloted enhancing income and food security; in at least 30 villages, water harvesting and storage facilities will be rehabilitated increasing water security; in at least 60 villages, livelihood options including off-farm options that are less sensitive to climate will be piloted increasing livelihood security. Furthermore, by working closely with the ‘self sustaining villages’ programme recently launched in NTT, SPARC aims to ensure that at least 25% of the 1000 villages targeted by that programme will also adopt climate resilient practices.

As explained in section B 3.1, gender and the position of women in rural development in NTT is a key concern. SPARC will work closely with women’s groups to identify and implement the community based demonstration activities, for example by strengthen the asset bases controlled by women such as seed and small livestock. SPARC will empower women to fully participate in stakeholder discussions and decision making processes at both policy level and will ensure their needs and ideas are addressed.

**B.4 risks, including climate change risks that might prevent the project objectives from being achieved, and measures that address these risks to be further developed during the project design:**

The proposed project is based on strong government support at national and local level and can draw on lessons learned from the past. SPARC has been designed based on extensive stakeholder consultations at national, local and community level.

The greatest risk here is inertia against change from the primary project beneficiaries, and a preference to conduct business as usual. This risk will be mitigated by ensuring that the introduction of new ideas and innovation is carried out in a participatory way and by ensuring that resulting actions on the ground are tangible and clearly communicated through field based demonstration, training and learning.

The project will work closely with the highest authorities in NTT to mobilize support from government agencies. It will also communicate regularly with central government authorities such as the National Development Planning Agency and the Coordinating Ministry for Economic Affairs to showcase progress made and ensure political support. At the local level, the project will collaborate with UN volunteers in supporting participatory approaches that stimulate a shift in thinking at the community level, and assist these communities with bringing their needs and best practices to the attention of extension staff and district level planning authorities.

In terms of environmental risks, unfavorable climatic conditions may occur during the project life cycle and impact on the investments made by the project. An important assumption is that these climatic extremes will be within coping range and that existing institutions and community groups will rapidly absorb and act on the new skills, technical approaches and knowledge acquired.

**B.5.** **key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles:**

**Provincial Government**, responsible for overall provincial development, coordination of inter district development and represents the central government. The governor has been elected in 2008 and is in his first term. The current 5 year development plan has a strong focus on poverty allevation and improved service delivery. The province has set up a food security management agency. It houses as well the provincial disaster response unit which is responsible for disaster risk management. The provincial development planning agency (BAPPEDA) will house the project management unit and will leading the planning process.

**District government.** In Indonesia, districts are autonomous and are setting their own development priorities. Each district has a number of service departments (between 18-25) and a planning board. The project will mainly work with the district planning boards and with the rural development, health and settlement/infrastructure services in the district of Belu, East Sumba and Lumbata.

**District parliaments.** District parliaments of Belu, East Sumba and Lumbata are key partners as they approve development plans and budget. Work done by international NGOs (CARE) has shown that engagement of parliament is essential and possible to secure budgets.

**Communities/village (Desa).** In Indonesia, a village has a high level of autonomy. It is headed by an elected village head who is supported by a village secretary (often a civil servant) and the village development administration which consists of 10 units. The village can initiate its own land use plan (within the framework of the overall district land use plan). This involves, for example, allocation of land to watershed protection, opening new small scale irrigation infrastructure and so on. A village has its own parliament (Baden Perwakilan Desa). The village consists normally of 150 to over 500 households. Households in rural Timor continue to depend on subsistence agriculture. The project will focus on poor villages that have been identified by Belu, East Sumba and Lumbata district government and also use available data from Indonesian Ministry of disadvantaged regions. The project will work, where possible, with local NGOs such as Pikul Foundation (<http://www.perkumpulanpikul.org/>) that have been working in the province on strengthening capacity of local institutions, with village authorities and communities. NGO personnel can facilitate discussions and planning processes with village communities and authorities. Emphasis will be given to gender mainstreaming which is important as Indonesia is preparing a new gender mainstreaming law as well the gender equity law (act 12/2003) .

**Private sector.** Private sector engagement is essential to stimulate new alternative livelihood options which enable communities to make better use of improved infrastructure such as reserviors and small scale irrigation. Positive experience has been gained from vegetable seed production around reserviors which was supported by East West Seed Indonesia. One of the provincial government programmes to promote NTT as a center of sandalwood plantation might encourage private sector investment in the province and improve the local economy.

**B.6. coordination with other related initiatives:**

UNDP will coordinate with other UN Organizations such as FAO, UNICEF and WFP through the UN Country Team and UN Resident Coordinator (UNRC) within the context of implementation of the UNDAF for Indonesia. UNDP will also work closely with bilateral development partners active in NTT, like AusAID and GtZ, as well as with partners at the national level focusing on climate change such as the Self-Sustained Energy Village (Desa Mandiri Energy) programme from the Coordinating Ministry for Economic Affairs. During the project preparation phase, institutional arrangements for project implementation will be finalised. The involvement of relevant technical agencies such FAO, UNICEF and others through the establishment of a suitable project advisory team will be explored, as will potential collaboration of NGOs with a history of successful rural livelihoods support in NTT.

From the Government side, key government institutions include the Coordinating Ministry of Economic Affairs, the National Development Planning Agency, provincial and local governments, the Indonesian Institute of Sciences (LIPI), the National Institute for Meteorology and Climatology (BMKG), and research institutes of the ministry of Agriculture. Non-government institutions based in NTT such as the Undara university and Civil Society Organizations will also be actively involved in the project activities.

The project will be linked to relevant regional and national programs, including: (i) the Third National Communication (expected to start in 2011); (ii) the Disaster Risk Reduction programme (DRR; USD 18 million), the ART-GOLD programme (USD 3 million), The UNREDD Programme (USD 5.6 million), and others. The project will provide valuable inputs to UNDP’s Global Adaptation Learning Mechanism and other regional knowledge networks such as the Adaptation Knowledge Platform coordinated by UNEP, SENSA, SEI and UNDP.

The Australian Centre for International Agricultural Research (ACIAR) in NTT is undertaking various ongoing specialized agricultural initiatives including: market development for citrus from eastern Indonesia; productivity and profitability enhancement of tropical pulses in Indonesia and Australia; and enhancing farmer engagement with specialty coffee chains in eastern Indonesia. The extent and how the SPARC project could be linked to these initiatives will be further investigated during the project preparation phase.

**c. UNDP´s comparative advantage to implement this project:**

UNDP has an excellent network in NTT, and an ongoing portfolio of related relevant projects in the province. UNDP’s comparative advantage lies in its continuous presence and experience of working with the NTT provincial and district governments on complex poverty, governance, environment, natural resource, conflict and disaster management projects and programmes. UNDP has supported the preparation of the National Action Plan addressing Climate Change, the Initial and Second National Communications, the National Action Plan for DRR, and the National Access to Justice Strategy, and is currently supporting the preparation of the National REDD+ Strategy, all highly relevant to the SPARC project. For example UNREDD is strengthening capacity for district level socio economic planning to incorporate REDD approaches as well as a process whereby these plans are endorsed by a multi-stakeholder group.

The proposed project is aligned with UNDP’s core mandate of improving capacity, providing technical and policy support as well as expertise in project design and implementation in relevant areas such as climate change, community based development, decentralization, enhancing development planning, and facilitating multi stakeholder processes. Within this context, UNDP is engaged in relevant sector-related work on water supply, watershed management, sustainable land management, livelihoods and agriculture in Indonesia. For example in Aceh, through the Aceh Partners Economic Development Programme, UNDP has been working in promoting export oriented agricultural commodities such as coffee and cocoa. Initiatives included: distribution of tools and equipment for coffee cooperatives reaching some 12,000 farmers; providing an assessment of coffee seedlings to help farmers re-establish plantations after years of neglect; development of a manual for extension workers in the coffee sector; development of an SMS-based price information system providing bi-weekly local market coffee prices. Further market studies are now being carried out to introduce interventions in other sectors including rubber, livestock and aquaculture.

Under the Aceh and North Sumatra Transitional Recovery programme UNDP has been working with 100,000 households to support the revival of fisheries, agriculture, aquaculture and small-scale enterprise. Through this initiative more than 5,000 fishermen have received boats, fishing gear and materials for fish processing; three fishery docks have been reconstructed; more than 7,000 fish pond breeders have received feed and fertilizer to restart aquaculture based activities; more than 6,000 small industry and trade ventures have been re-established through training, asset replacement and the provision of working capital, micro-financing and the establishment of cooperatives.

Through UNDP’s support for enhancing local development performance in NTT, district level planning processes are being made more pro-poor. Poverty maps, MDG scorecards and pivot tables are being used to improve planning and budgeting, as well as involving civil society and strengthening the level of oversight provided by local legislative bodies. By targeting resources more effectively towards the rural and natural resource dependent poor and vulnerable in NTT, the overall resilience of these communities to other risks to development, such as increasing climate variability and change, is being strengthened.

In the water sector, UNDP has been working with the private sector in Indonesia to bring clean water to local communities. Through UNDP’s growing sustainable business programme shallow wells which predominate in most rural areas and which are subject to contamination and dry season supply problems, are being replaced or supplemented by small scale slow sand filtration techniques which have been introduced to treat available surface water. This demonstration work is then linked to socio-economic and market surveys to assess potential for wider market penetration. Furthermore, in Aceh UNDP has been partnering with Coca Cola to develop community based water and sanitation systems resulting in nearly 8,000 people receiving household water supply, as well as a comprehensive mapping of water resources for the province.

**c.1 Indicate the co-financing amount the GEF agency is bringing to the project:**

In addition to UNDP Indonesia cash co-financing, there are a number of ongoing UNDP programmes in NTT which are highly relevant to climate resilient development, such as the Disaster Risk Reduction Programme, Pro-poor Planning and Monitoring Programme and the ART-GOLD Programme that the proposed SPARC project will be leveraging. Expected parallel co-financing from these initiatives is USD 26.8 million. A more detailed assessment of co-financing from these and other relevant initiatives will be made during preparation of the SPARC Project Document.

**c.2 project fit into UNDP´s program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in country to follow project implementation:**

Being amongst the poorest provinces, NTT is a priority area for the UN system in Indonesia. Human Development in NTT is stagnating, and the province is facing great challenges in terms of socio-economic development, food security, and environmental degradation. It has become clear that climate change is one of the drivers behind the deteriorating situation. The project will contribute to i) Strengthened participatory and decentralization processes (UNDAF Sub-Outcome 2.2), Reduced vulnerability of peoples affected by social and natural disasters (UNDAF Sub outcome 3.4), and iii) Reduced vulnerability of cultural communities (UNDAF sub-Outcome 3.3).

The proposed project falls within the UNDP Country Programme Action Plan (CPAP) priority area on ‘promoting sustainable environment’ which states “Emphasizing the support to poverty reduction, UNDP will strengthen inter-sectoral capacities to implement best practices in watershed protection, prevention of land degradation, and thus safeguard the sustainability of water resources, agricultural and fishery potentials, as well as the livelihoods of the people”

The project is also in line with the UNDP/GEF business plan and results framework. Within the context of an overarching goal of supporting countries to achieve low carbon climate resilient strategies for sustainable economic growth, the project will promote sustainable rural livelihoods including climate change adaptation.

The country office has in-house expertise covering all aspects of the project, ranging from climate change, carbon finance, rural development, disaster risk reduction, governance, decentralization, project management, and procurement to technical advice and project assurance to all aspects of project implementation.

**part iii: endorsement by gef operational focal point and GEF agency**

**A. Record of Endorsement of GEF Operational Focal Point on Behalf of the Government:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Position** | **Ministry** | **Date** |
| Mr Arief Yuwono | Executive Secretary | **Ministry of Environment** | **August 30, 2010** |

**B. GEF Agency Certification**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.** | | | | | |
| **Agency Coordinator, Agency name** | **Signature** | **Date** | **Project Contact Person** | **Telephone** | **Email Address** |
| Andrew Hudson  Officer-In-Charge, UNDP/GEF |  | October 20, 2010 | Angus Mackay  Regional Technical Adviser  UNDP Asia Pacific Regional Centre | +6622882784 | angus.mackay@undp.org |

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1. NTT Bureau of Statistics, 2008. [↑](#footnote-ref-1)