



AGENCY NOTIFICATION ON AMENDED (FULL SIZE PROJECT)

15 November 2018

PROJECT IDENTIFIER

Name of Project: CTI: Coral Reef Rehabilitation and Management Program-Coral Triangle Initiative, Phase III (COREMAP-CTI III)
Country(ies): Indonesia
GEF Agency: Asian Development Bank
GEF Project ID: 5171
Agency Project ID: 46421-001
Focal Area: Biodiversity
Trust Fund: GEF Trust Fund
PIF Approval Date: 11/1/2012
PPG Approval Date: 03/07/2013
Council Approval Date (for FSP): 9/19/2013
CEO Approval Date (for MSP, EA):
CEO Endorsement Date (for FSP): 9/19/2013

FINANCIAL STATUS

FSP Amendment Date: 23 October 2018
Grant Amount: USD 8,000,000 **Agency Fee:** USD 760,000
Undisbursed Grant Amount: USD 5,194,349.44
Undisbursed Agency Fee: USD 486,400
Explanation for amending project¹:

The original GEF grant of USD 8 million was linked to a loan from ADB to Government of Indonesia for USD 45.5 million, both processed in 2013, and effective in 2014. Following a change of Government in July 2014, there were a number of communications exchanges between Indonesian Ministry of Marine Affairs and Fisheries (MMAF), the Ministry of Finance (MOF) and ADB which sought to partially cancel project financing and modify some project implementation arrangements. This applied also to a corresponding GEF grant project administered by the World Bank.²

However, following a series of review missions and in-country consultations, on 24 November 2017, the MOF in a letter to ADB, confirmed cancellation of the remaining undisbursed ADB loan amount of USD 30 million. This included a request to: i) retain the remaining GEF grant of around USD 5.2 million, ii) shift the Executing Agency from MMAF to the Ministry of National Development and Planning (BAPPENAS), and iii) extend the project closing date to December 2022. A copy of the letter is attached. The Government of Indonesia has also confirmed that MMAF will continue to invest in coastal and marine resources management, which will offset the cancelled ADB loan,

¹ Attach evidence of consultation with country regarding the amended/dropped/cancelled/suspended project.

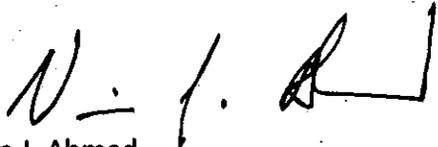
² There is also a corresponding loan under the World Bank – which will be continued through a major change in 2017, notably the Executing Agency from MMAF to Indonesian Institute for Sciences (LIPI).

and continue to address the original project targets including 2.33 million hectares of marine protected areas under effective management as indicated in the GEF CEO Endorsement.

A number of review missions, in-country stakeholder meetings and consultations with GEF Secretariat and the World Bank have been undertaken since, to explore options on the best way forward. Attached to this Agency Notification is a revised proposal which outlines a restructured approach to use of the remaining GEF funds, as well as a review sheet of GEF comments and ADB responses. The newly structured GEF proposal, combined with Government of Indonesia counterpart investments will deliver similar level of global environmental benefits as anticipated in the original project, and concurrently address some relevant and pressing issues that have arisen in recent times.

AGENCY CERTIFICATION

The Asian Development Bank would like to inform the GEF Secretariat that it will amend the above-mentioned project after consultation with the beneficiary country, particularly with the relevant government agencies involved in project preparation/implementation, and other partners including co-financiers.



Nessim J. Ahmad
Deputy Director General, Sustainable
Development and Climate Change
Department
Concurrent Chief Compliance Officer
Email Address: njahmad@adb.org
Phone: +6326324444



Helena Lawira
Project Officer (Water Sector)
Indonesia Resident Mission (IRM)
Email Address: hlawira@adb.org
Phone: +85511237

