



# WWF - GLOBAL ENVIRONMENT FACILITY PROJECT DOCUMENT



Project Title:	Ecosystem Approach to Fisheries Management (EAFM) in Eastern Indonesia (Fisheries Management Area (FMA): 715, 717 & 718)
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## ACRONYMS AND ABBREVIATIONS

AIP	Aquaculture Improvement Project
ATSEA	GEF Arafura and Timor Seas Project
BHS	Bird's Head Seascape
BMP	Better Management Practices
BOBLME	Bay of Bengal Large Marine Ecoregion
BPSDM	<i>Badan Pengembangan Sumber Daya Manusia</i> – MMAF's Human Resources Development Agency
CBD	Convention on Biological Diversity
CBNP	Cenderawasih Bay National Park
CFI-CF	Challenge Fund
CFI	Coastal Fisheries Initiative
CI	Conservation International
COREMAP-CTI	Coral Reef Rehabilitation and Management Program-Coral Triangle Initiative
CTI-CFF	Coral Triangle Initiative for Coral Reefs, Fisheries and Food Security
CPUE	Catch per Unit Effort
CTSP	Coral Triangle Support Partnership (USAID project)
DG	Directorate General
EA	Executing Agency
EAFM	Ecosystem Approach to Fisheries Management
EEZ	Exclusive Economic Zones
EDF	Environmental Defense Fund
E-KKP3K	<i>Evaluasi Efektifitas Pengelolaan Kawasan Konservasi Perairan Pesisir dan Pulau Kecil</i> ; a Management Effectiveness Tool for Marine Protected Areas
FAO	Food and Agriculture Organization of the United Nations
FIP	Fisheries Improvement Project
FKPPS	<i>Forum Koordinasi Pengelolaan dan Pemanfaatan Sumberdaya Perikanan</i> (Coordination Forum for Fisheries Management)
FMA	Fisheries Management Area
FMP	Fisheries Management Plan
FPA	Fisheries Performance Assessment
FPIC	Free, Prior and Informed Consent
GEF	Global Environment Facility
GEB	Global Environmental Benefits
GRM	(GEF) Grievance Redress Mechanism
GT	Gross tons
HCR	Harvest Control Rules
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
ISLME	Indonesia Seas Large Marine Ecoregion
IUCN	International Union for the Conservation of Nature and Natural Resources
IW:LEARN	International Waters Learning Exchange and Resource Network
<i>Kabupaten</i>	Corresponds to "District" for the purposes of this document.
KEA	Key Ecological Attributes
KEHATI	Indonesian Biodiversity Foundation or <i>Yayasan Keanekaragaman Hayati Indonesia</i>
MEOW	Marine Ecoregions of the World
M&E	Monitoring and Evaluation
MoEF	Ministry of Environment and Forestry
MPA	Marine Protected Area
MPAG	Marine Protected Areas Governance (USAID project)

MMAF	Indonesia Ministry of Marine Affairs and Fisheries
NGO	Non-Governmental Organization
NM	Nautical Miles
NOAA	US National Oceanic and Atmospheric Administration
PMU	Project Management Unit
PPMS	WWF Programme and Project Management Standards
PPG	Project Preparation Grant
PPR	Project Progress Report
PrISM	Project Implementation Supervision Mission
PSC	Project Steering Committee
RBFM	Rights-Based Fisheries Management
RDMA	USAID Regional Development Mission for Asia
SAP	Strategic Action Program
SEA	USAID Indonesia Sustainable Ecosystems Advanced Project
SFP	Sustainable Fisheries Partnership
SK3	Specific Competence Standards for Work
TDA	Transboundary Diagnosis Analysis
ToC	Theory of Change
ToT	Training of Trainers
USAID	United States Agency for International Development
WB	The World Bank
WCPFC	Western and Central Pacific Fisheries Commission
WPP	<i>Wilayah Pengelolaan Perikanan</i> – Also known as Fisheries Management Area (FMA)
WWF ID	World Wide Fund for Nature – Indonesia (WWF Indonesia)
WWF US	World Wildlife Fund, Inc (based in USA)

## EXECUTIVE SUMMARY

The Coastal Fisheries Initiative (CFI) Programme has been developed by the Global Environment Facility (GEF) to safeguard world oceans and the marine environment. The Programme was built based on the recognition that worldwide, fish provide 4.3 billion people with approximately 15 percent of their animal protein and that coastal fisheries - those within Exclusive Economic Zones (EEZ) – are an essential source of food, nutrition, and livelihoods, particularly in developing countries, and employing over 60 million people. Some 85 percent of these 60 million people are small-scale fishers and fish workers who primarily operate in coastal waters in developing countries. Meanwhile, women work primarily in the postharvest sector and represent approximately half of the people employed in capture fisheries and aquaculture.

The CFI Global Programme seeks to demonstrate and promote more integrated and holistic processes leading to the sustainable use and management of coastal fisheries complementing the GEF multi-country Large-Marine Ecosystem (LME) approach. To do this, the CFI consists of five Child Projects in (1) Indonesia; (2) Ecuador and Peru in Latin America, and (3) Cabo Verde, Côte d'Ivoire and Senegal in West Africa as well as (4) a Challenge Fund (CFI -CF); and (5) a global knowledge management mechanism for sharing experiences and furthering effective fisheries management globally. The CFI strategic approach maximizes methods that have proven successful for fisheries management and securing sustainable resource utilization across some of the world's most important fisheries geographies.

The CFI Global Programme will focus on:

- Strengthening fisheries sector policy, legal and regulatory frameworks to include environmental, social and economic sustainability considerations;
- Improving capacity and capability of fishing nations, regional management bodies and empowering communities for sustainable fisheries management; and
- Promoting public-private partnerships that enable investment along fisheries supply chains by fostering sustainable fisheries and sustainable development.

### **The CFI Indonesia Child Project**

The Coral Triangle contains the greatest marine biodiversity on Earth and is home to more than 600 species of reef-building corals and 2000 species of reef fish. The region also supports large populations of commercial fish such as grouper, snapper, shrimp and tuna among others, fueling a multi-billion dollar global industry and providing food and livelihoods to millions of people worldwide. Meanwhile, as of 2009, across the Coral Triangle itself, some 120 million coastal people depended on these waters and coastal fisheries for their food security and/or livelihoods. The waters of three Fisheries Management Areas (FMAs 715, 717 and 718) encompass approximately 1.6 million km<sup>2</sup> of ocean and have the highest marine biodiversity of any place on the planet. Approximately 12 million Indonesians depend on these eastern Indonesia waters for their food and livelihoods. Given their importance for fisheries and biodiversity, these are priority FMAs for the Indonesia government.

In 2009, the Indonesia government and MMAF began reviewing an Ecosystem Approach to Fisheries Management (EAFM) as a management approach for fisheries to ensure sustainable stocks and sustainable marine ecosystems. The Food and Agriculture Organization of the United Nations ([FAO Technical Guidelines on the Ecosystem Approach to Fisheries \(FAO 2003\)](#)) define EAFM as "an ecosystem approach to fisheries strives to balance diverse societal objectives, by taking into account the knowledge and uncertainties about biotic, abiotic and human components of ecosystems and their interactions and applying an integrated approach to fisheries within ecologically meaningful boundaries." Through a series of workshops and studies, the government officially endorsed EAFM in 2014 with a goal of implementing elements of the approach in all 11 FMAs located within Indonesian waters by 2019.

The CFI Global Programme under the FAO will implement a Child Project through World Wildlife Fund US (WWF) and Conservation International (CI) in FMAs 715, 717, and 718 as part of an effort to improve environmental and economic benefits through the application of improved coastal fisheries management. Per the FAO, approximately 95 percent of Indonesia's fishery production comes from artisanal fishermen and 28 percent of Indonesia's 2012 fleet consisted of non-powered boats and 39 percent operating with an outboard engine<sup>1</sup>. Given this, the CFI Indonesia Child Project will focus on small scale fishery efforts in coastal waters within 12 nautical miles (NM) of shore which are under the jurisdiction of Indonesia District governments. This Project geography is based on the huge fishery resources found in these waters, the interest of the various district governments in implementing EAFM, and the importance of artisanal and small scale fisheries in Indonesia.

The objective of the CFI Indonesia Child Project is to contribute to coastal fisheries in Fisheries Management Areas (FMA) 715, 717 and 718 delivering sustainable environmental, social and economic benefits and demonstrating effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. This objective will be accomplished through an ambitious but realistic workplan that is based on learning from within the project as well as from the broader CFI Global Programme and the other CFI Child Projects.

While there are several projects implementing aspects of EAFM in these same waters, the CFI Indonesia project is unique in that it will be the first project of its kind in Indonesia to implement the full spectrum of EAFM activities— a spectrum that includes four critical components:

- enabling conditions (policy and legal frameworks to support EAFM);
- enabling tools to promote EAFM (improved Marine Protected Area (MPA) management, Better Management Practices (BMPs), and fisheries improvement projects (FIPs) tailored to a specific fishery);
- sustainable financing for conservation and sustainable fishing practices (through a Trust Fund and payment for environmental services (PES) mechanisms); and
- knowledge sharing and monitoring and evaluation.

There will also be significant learning garnered through the application of cross-cutting themes including gender considerations in EAFM, rights based management, methods for reducing post-harvest losses, sustainable tourism for coastal communities and other supplemental income generating activities that can offset pressure on local fisheries.

The true impact of the CFI Indonesia Child Project lies in its position as one of five CFI Child Projects of the broader CFI Global Program. Learning is a central focus of the CFI Indonesia Child Project as well as the overall CFI Global Programme and will help ensure the sustainability of project activities in Indonesia, but also beyond the project geography and even the CFI Programme geography. Lessons learned through the application of this EAFM suite will be shared with other projects operating in Indonesia as well as with the other CFI Child Projects, the CFI Global Programme and IW:LEARN. Information and lessons learned will also be shared with other relevant national, regional and international networks. Knowledge sharing mechanisms will include a website(s), social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos. But, learning will be two-way, as lessons learned from the CFI Global Programme and the other Child Projects and even other non CFI EAFM projects will help guide the development of the CFI Indonesia Child Project. The CFI - Challenge Fund and its provision of an analytical and advisory support facility, investment selection, supervision and monitoring and evaluation facility and South-South knowledge sharing and learning will provide additional momentum and investment to accelerate the application of EAFM in Indonesia as well as in other important fisheries geographies. Meanwhile and per the CFI Cross Walked Matrix, the Latin America and West Africa Child Projects will provide

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<sup>1</sup> Fishery and Aquaculture Country Profiles. Indonesia (2011). Country Profile Fact Sheets. In: FAO Fisheries and Aquaculture Department [online]. Rome. Updated 2011. [Cited 30 May 2016]. <http://www.fao.org/fishery/facp/IDN/en>

specific on the ground lessons learned for a wealth of initiatives that are of great interest to Indonesia including sustainable fisheries, traceability systems, the development of value chains, mangrove restoration and improved conditions for fish processor workers. As three of the CFI Child Projects are being implemented in three of the world's most important fishery geographies, the sum total of the experience and lessons learned of the entire CFI Global Programme shared through CFI Annual workshop and other fora will serve as a model to guide the application of sustainable fisheries and EAFM for other geographies for years to come.

Within the Program, the objective of the CFI Indonesia Project is to contribute to coastal fisheries in Indonesian FMAs 715, 717 and 718 by delivering sustainable environmental, social and economic benefits and demonstrating effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. Within the CFI Programme Results Framework, the CFI Indonesia Project will directly contribute to the improved management 5.5M hectares of seascapes and move some 400,000 tons of fisheries into sustainable production levels across the three project FMAs.

The CFI Indonesia Child Project will be implemented over five years with a \$10,183,486 contribution from the GEF and an additional \$52,071,783 in cofinancing provided by the Indonesia Government, multi-national agencies, foundations, private sector entities, and NGOs.

## **SECTION 1: PROJECT BACKGROUND**

### **1.1. Background and Context**

The CFI Programme has been developed based on the recognition of the importance of coastal fisheries, the richness of initiatives and experiences in coastal fisheries but also that there is still no globally agreed solution to how to make them environmentally, economically and socially sustainable. Because many actors work independently from one and other and because there is limited capacity in many countries, and in particular in developing countries, to analyze, coordinate and effectively steer various initiatives towards a similar outcome, there is a great need to improve collaboration and to identify and refine agreed best practices.

As a Programme consisting of five interlinked Projects, the CFI will play an important role in catalyzing greater collaboration and fostering knowledge sharing in coastal fisheries. The CFI will examine how different approaches work in different situations – at the same time as impact is generated on the ground – through its regional/national child projects and in bringing this new knowledge to the international arena to be examined, shared, understood and replicated, as appropriate. The CFI will also examine existing initiatives and results generated by such programs and projects with a view to identify good (and bad) practices, including from ongoing Large Marine Ecoregion (LME) projects. The CFI will work towards a more harmonized view on what different approaches and concepts in coastal fisheries mean and can do and promote a more holistic process for and integrated perspective on sustainable management. This implies an integration of approaches and priorities in respect of sector-focused management, safeguarding of human well-being, biodiversity and ecosystem health, postharvest and value chain, and wealth and investments. The CFI as a Programme will therefore deliver much more than just the sum of its Projects; while individually, the Projects will deliver valuable outputs in their geographies, aggregation of the knowledge gained from activities across a range of projects and contexts, together with the synthesis and dissemination of that knowledge, is something that can only be done at the global level, and thus the CFI is somewhat unique in this respect.

The Programme consists of five inter-linked Projects that benefit from, and contribute, to each other to ensure a Programme that is greater than the sum of its individual parts. At the core of the Programme are three regional projects (West Africa, Latin America and Indonesia – involving six countries), which are structured to test and pilot frontier tools and approaches in these three geographies. Each regional project is tailored to its own regional context, and contains unique elements. There are also some similar or common elements such as integrating “ecosystem based management” into fisheries policies, promoting marine protected areas and furthering gender



equality. The outcomes of these elements will be shared between projects, creating opportunities to learn from each other's unique experiences as well as draw lessons across common elements – so that each project will benefit from, and contribute to, the other projects. The CFI Indonesia project will focus on the application of EAFM across a vast seascape of three Fishery Management Areas (FMAs) that involves a broad array of stakeholders. The CFI Indonesia project includes strong monitoring and evaluation and knowledge sharing component that will facilitate the sharing of lessons learned (positive and negative) as it advances towards these goals particularly as it relates to the implementation of financial mechanisms and the integration of gender into programming. This information and knowledge will be shared with and contribute to the CFI Global Partnership Programme – one of the five CFI Programme projects in addition to regional and international networks. At the same time, the project will use lessons learned from the CFI Latin America project (especially on the development of traceability systems, tuna production and mangroves) and the CFI West Africa project (with a focus on their experiences with the implementation of rights based management approaches, mangrove plantings and improved work conditions for processors) to inform and ideally accelerate the implementation and adoption of project strategies and activities. Meanwhile, the CFI Challenge Fund with its innovative financial mechanism that will foster private investment into sustainable fisheries management and provide additional resources to complement and accelerate the adoption of EAFM elements in Indonesia while ensuring a nexus between sustainability of fish stocks and financial viability. The CFI Programme Theory of Change Indicators and Cross Map Results Based Framework for all five CFI Projects can be found in [Appendix 3](#).

These three regional projects are supported by the Challenge Fund, which will provide technical assistance for the development of a pipeline of investable projects, while providing a platform for interested investors to engage early and adequately assess—and address—potential investment risks. The ultimate outcomes are private investments made in the fisheries of the three regions. The Challenge Fund will benefit the regional projects by providing access to technical assistance for developing investable projects and ties to potential investors. At the same time, the regional projects will contribute to the Challenge Fund by providing local knowledge and context, including fisheries assessment information.

Coordination of CFI, including ensuring the projects are working together as a Program, assessing fisheries management performance (via the Fisheries Performance Assessment (FPA)), conducting analyses of the four projects' outcomes and M&E activities, and sharing knowledge within and beyond the CFI Programme, will be managed through the Global Partnership Project. The FPA project will develop a methodology for fisheries assessments from a social, economic and environmental perspective specific to data poor contexts. It will be piloted in the three regions to consolidate the tool for wider dissemination globally. It will benefit the projects by providing access to the latest tools for assessing the status of their fisheries and the projects will contribute to FPA by serving as a testing ground for the tool. The CFI Indonesia team has agreed to use the FPA on one fishery in Indonesia at this time. Further application of the FPA may occur once the tool is finalized, circulated and compared to MMAF's EAFM monitoring tool and discussed with MMAF and stakeholders. The CFI Indonesia project will provide a wealth of information on the integration of women and smaller scale fishers and into decision-making and resource allocation. At the same time, the project will be looking to the experiences and lessons from Latin America on the design and implementation of traceability systems and co-management of and improved conditions for fish processor workers in West Africa.

Similarly, the Partnership Project will play a key role in knowledge sharing and analyses of outputs and outcomes across the three regions and with coastal fisheries globally for the production of global knowledge products and coordination of dissemination mechanisms (e.g. listserv, webinars, knowledge products, website, CFI Annual Workshops, newsletters, blogs, stakeholder exchanges, conferences). Contributions from the other four projects to these CFI communication mechanisms will provide guidance and ideas that will help accelerate the application and adoption of EAFM in Indonesia. Given the importance of M&E and KS, for each project a total of 25 percent of funds have been allocated to these components, including 5-10 percent for M&E, 10-15 percent for KS within the project and 10-15 percent for KS with the program. Towards this end, \$2,125,942 of the CFI Indonesia project budget will be allocated to monitoring and evaluation and knowledge sharing. This represents 28 percent of the

total budget excluding the one-time payment of \$2,635,211 to the Blue Abadi Trust Fund.

Overall guidance of the Programme will be provided by a Global Steering Committee and technical advice as needed through a Global Reference Group (Figure 1: CFI Global Programme Institutional Structure). The CFI Programme is informed by the CFI Theory of Change (See Figure 6, Section 2.1), which identified a series of tiered building blocks critical to achieving the program's outcomes. The projects are expected to progress through these tiers starting with establishing necessary enabling conditions (Tier 1), which will lead to implementing changes in practices (Tier 2), achieving benefits to fisheries and stakeholders (Tier 3) and ultimately leading to system sustainability (Tier 4). This Theory of Change, therefore, provides a program-level framework for the analysis of emerging challenges and learning across the various initiatives making up the CFI. The Programme Results Framework builds upon the CFI Theory of Change, specifically the Tier 1 enabling conditions, which are focused around conditions and incentives for stakeholders, institutions and collaboration. As noted in the first component, CFI will promote sustainability incentives in the value chain addressing the need for correct incentives at the harvesting stage, including new or amended management regimes, reduction in post-harvest losses, implementation of private-public partnerships and development of innovative market incentive systems. As noted in the second component, CFI will strengthen institutional structures and processes, including policy, legislation and institutions, including co-management and access rights regimes, and integrate MPAs into fisheries. Finally, as noted in the third component, CFI will share best practices, promote collaborate and strengthen fisheries performances measures and assessments.

The CFI Programme had an overall initial goal of bringing 3 million ha of coastal marine areas within EEZs under sustainable fisheries management and 8 percent (or 409,000 tonnes) of fisheries, by volume, moved to more sustainable levels. Since the approval of the Programmatic Approach to the CFI and following up on STAP comments regarding the Theory of Change, the partners have developed a much more articulate and robust Theory of Change for the CFI. In developing this ToC it was evident by all partners that much more effort is needed in creating the enabling conditions for governments and stakeholders to move towards more sustainable fisheries management. Consequently, resources have been shifted to these activities resulting in interventions in fewer fisheries, in particular those of Ecuador and Peru where the anchovetta fisheries made up a large proportion of the originally targeted fisheries (initially approximately 4% of global fisheries). Hence the target of 8% (409,000 tonnes)<sup>1</sup> of fisheries being shifted to more sustainable levels will not be reached, the three projects will now address 111,029 tonnes (LAC = 25,700 t; WA = 46,000 t and Indonesia = 39,329 t) which represents approximately 2.2% of the replenishment target<sup>2</sup>.

### **Linkages with the CFI Global Programme and other CFI Child Projects**

The objective of the CFI Global Programme is to demonstrate holistic ecosystem based management and improved governance of coastal fisheries. There are clear linkages between the overall CFI Global Coastal Fisheries Initiative Programme focus and the CFI Indonesia Child Project. These complementarities are presented in the table below. As one of the three Child Project geographies, the CFI Indonesia Child Project will benefit from learning and sharing of successes – and failures – across three of the world's most important fishing geographies located in the waters of developing countries. The CFI Global Partnership and IW:LEARN will provide important venues for this knowledge sharing while the CFI CF will provide opportunities to broaden the application of successful strategies across a wider geography in Indonesia. At the same time, MMAF will look for opportunities to share information and lessons learned with regional and other international initiatives.

The CFI Indonesia project will support the CFI Programme framework – emphasizing some aspects of the Programme more than others. A table outlining the relationship between the CFI Indonesia Project and the CFI

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<sup>2</sup> The GEF replenishment target of 20% of overexploited fisheries moved to sustainable levels is the equivalent of 5.1 Million tonnes of capture fisheries. Please note of the 81.5 M tonnes of capture marine fisheries (as per FAO-SOFIA 2016) 31.4% or (25.6 M tonnes) are overfished fisheries and therefore 20% of these overfished fisheries is 5.1 Million tonnes while 8% of these fisheries (the CFI Programme target) is equivalent to 409,000 tonnes of CFI fisheries.

Programme is presented below. The CFI Indonesia project also hopes to contribute to global learning on the integration of gender aspects into fisheries and marine conservation based programming as well as lessons learned on the implementation of sustainable financing mechanisms. At the same time, the project looks forward to opportunities to integrate learning from the other Child Projects into CFI Indonesia programming.

Figure 2: Linkages between the CFI Global Programme and the CFI Indonesia Child Project.

CFI Global Programme Focus	CFI Indonesia Child Project Objectives
1. Strengthening the fisheries sector’s policy, legal and regulatory frameworks to incorporate environmental, social and economic sustainability considerations.	The project will improve the capacity and compliance of coastal fisheries stakeholders to implement EAFM policies and regulations (institutional structures and processes) by applying relevant human rights-based and collaborative management mechanisms and financial incentive schemes at specific sites within FMAs and by securing tenure and access rights for indigenous communities through a network of community led MPAs.
2. Improving the capacity and capability of fishing nations, regional management bodies and empowering communities in sustainable management of fisheries.	The management of select coastal fisheries will be improved through the application of EAFM, the establishment and/or expansion of and sustainable financing for MPAs, the establishment and monitoring of FIPs, and the documentation and dissemination of BMPs as well as the application of EAFM principles at key locations. Understanding will be enhanced through the documentation, dissemination and sharing of Information, BMPs and lessons learned in Indonesia to expedite the adoption of EAFM across the country. Information will also be shared through project exchanges, the CFI Global Partnership, and through IW:LEARN.
3. Promoting private-public partnerships that enable responsible investment along the supply chain, fostering sustainable fisheries and sustainable development.	The Project will work with stakeholders all along the fisheries supply chain (fishers, communities, local governments, buyers, and seafood purchasing companies) to implement EAFM sustainability measures.

### CFI Indonesia

Indonesia is located in the heart of the Coral Triangle, and according to the Global Environmental Benefit Index for Biodiversity, Indonesia is the second most biodiverse country in the world (behind Brazil), home to more than 600 species of reef-building corals, 2000 species of reef fish and more than 120 million coastal people who depend on these waters for their protein and/or livelihoods. As one of six countries of the Coral Triangle that also includes the waters of Malaysia, Papua New Guinea, the Philippines, Solomon Islands and Timor-Leste, Indonesia is the largest archipelagic country in the world touting some 17,000 islands. Sixty-two percent of its territory is ocean and it has more coral reef area than any other country.

Indonesia’s high level of marine diversity and productivity can largely be attributed to the throughflow of forceful ocean currents move through and around the county’s complex archipelagic geography simultaneously bringing in cold and warm waters along with a wide diversity of marine animals and conditions that enable the spawning and birth of many more. The waters of eastern Indonesia include the country’s highest levels of marine biodiversity and are home to six of seven of the world’s marine turtle species including the International Union for the Conservation of Nature and Natural Resources (IUCN) critically endangered hawksbill (*Eretmochelys imbricata*) and the vulnerable leatherback (*Dermochelys coriacea*) that can attain a weight of 680kg. Dugongs (*Dugong dugong*), manta rays (both *Manta bitrostris* and *Manta alfredi*), and whale sharks (*Rhincodon typus*), all of which are classified as vulnerable by IUCN, also call these waters home.

### Ecoregions of Global Importance

The waters FMAs 715, 717, and 718 are of global importance and are characterized as part of the Indonesian Sea Large Marine Ecosystem (ISLME) and the Central Indo-Pacific Marine Ecoregion. These waters include part or all of five of the twelve marine ecoregions in Indonesia as defined in the Marine Ecoregions of the World

(MEOW) classification scheme <sup>3</sup>. Not only are all of these areas priorities for fisheries management, but a 2009 expert study<sup>4</sup> conducted for MMAF ranked Papua and the Banda Sea as the top two marine biodiversity conservation priorities in Indonesia (see maps in [APPENDIX 1: Project Maps](#)).

In the late 1990's and even before the creation of the Indonesia Ministry of Marine Affairs and Fisheries (MMAF), the Indonesian government embraced the FAO categorization of Fisheries Management Areas (FMAs) often referred to by the Bahasa Indonesia term as *Wilayah Pengelolaan Perikanan* or "WPPs"). There are 11 FMAs within Indonesia's waters with the waters of eastern Indonesia are located in FMAs 715, 717 and 718. (See Map). Given their importance for fisheries and marine biodiversity, these are priority FMAs for the Indonesia government.

### **A Roadmap to EAFM**

Over the last several years, the Indonesian government, in collaboration with NGOs and multi-lateral agencies, has begun to focus on a sustainable development policy framework. Recognizing the link between marine conservation and the nation's food security, the Indonesia government began working towards an EAFM approach that included a focus on spatial management and more sustainable fishing practices. As a part of this effort, in 2009, the government announced an ambitious goal of establishing some 20 million hectares of marine protected areas (MPAs) by 2020. To date, Indonesia's MPA network covers over 17 million hectares in 154 MPAs. In the face of existing and emerging threats to the marine environment, Indonesia's MPA network provides a refuge for biodiversity and fish/seafood reproduction – for subsistence, local, and global economies.

The FAO Technical Guidelines on the ecosystem approach to fisheries (FAO 2003) define EAFM as "an ecosystem approach to fisheries that strives to balance diverse societal objectives, by taking into account the knowledge and uncertainties about biotic, abiotic and human components of ecosystems and their interactions and applying an integrated approach to fisheries within ecologically meaningful boundaries." [Garcia, S.M.; Zerbi, A.; Aliaume, C.; Do Chi, T.; Lasserre, G. The ecosystem approach to fisheries. Issues, terminology, principles, institutional foundations, implementation and outlook. FAO Fisheries Technical Paper, No. 443. Rome, FAO, 2003. 71 p.](#)

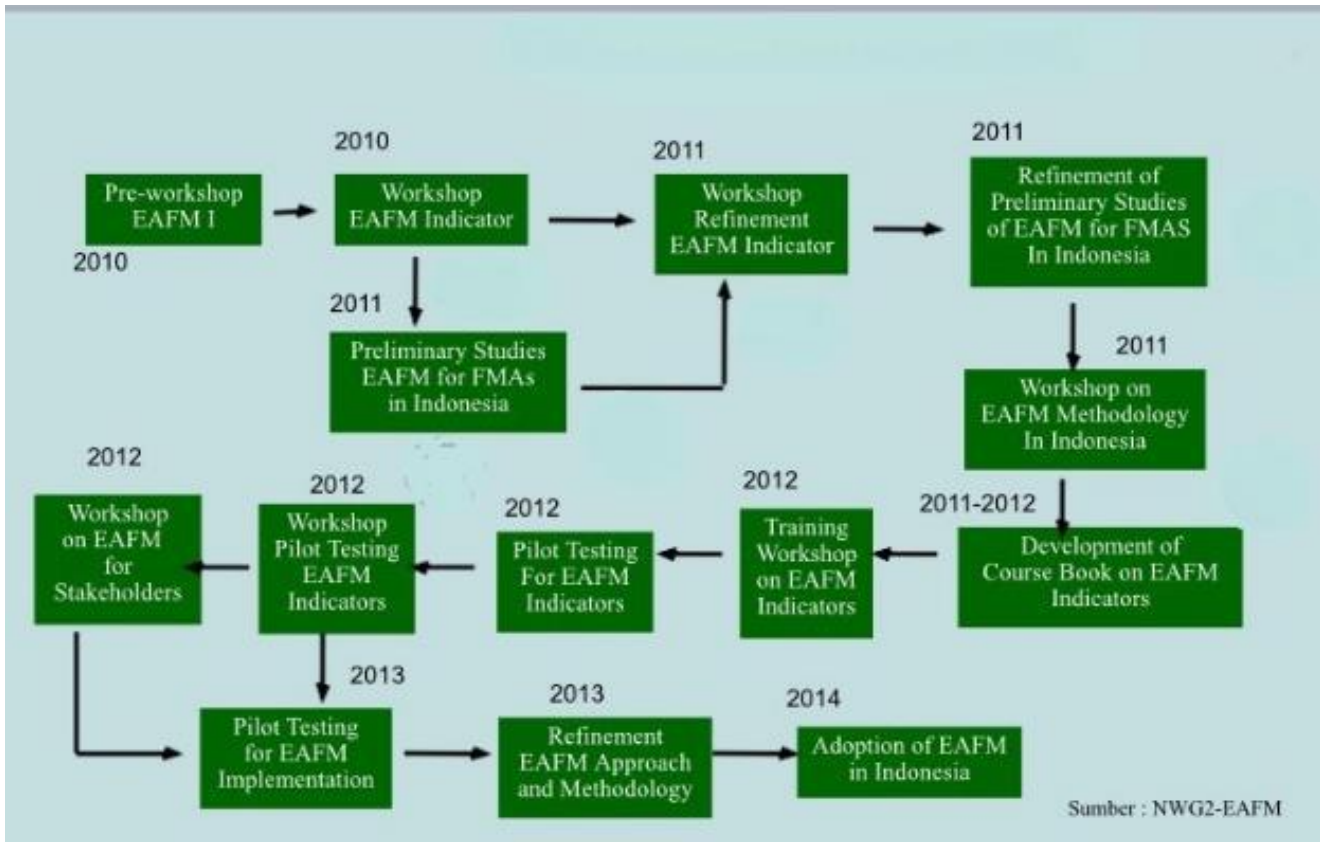
In parallel to the work being conducted on MPA development, in 2010, MMAF established an EAFM Working Group. As a part of this process, in May 2012, a multi-disciplinary team of international and national fisheries experts held workshops on EAFM in Indonesia and participated in regional initiatives including a regional EAFM working group established under the Coral Triangle Initiative for Coral Reefs, Fisheries and Food Security (CTI-CFF). In 2014, Indonesia officially adopted an EAFM approach along with the other Coral Triangle countries. Indonesia has taken a leadership role in the region by developing and adopting specific regulations supporting EAFM including the development of geographically based Fisheries Management Plans (FMPs) for FMAs.

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<sup>3</sup> Spalding, M.D., H.E. Fox, G.R. Allen, N. Davison, Z.A. Ferdana, M. Finlayson, B.S. Halpern, M.A. Jorge, A. Lomba, S.A. Lourie, K.D. Martin, E. McManus, J. Molnar, C.A. Recchia, and J. Robertson (2007) Marine Ecoregions of the World: A Bioregionalization of Coastal and Shelf Areas. *Bioscience*, 57 (7): 573-583

<sup>4</sup> Huffard, C. L., M.V Erdmann, and T. Gunawan 2009. Defining geographic priorities for marine biodiversity conservation in Indonesia. Conservation International, Jakarta. M.V Erdmann, and T. Gunawan 2009. Defining geographic priorities for marine biodiversity conservation in Indonesia. Conservation International, Jakarta.

Figure 3: Indonesia's Road Map to EAFM



**The Importance of Fisheries to Indonesia**

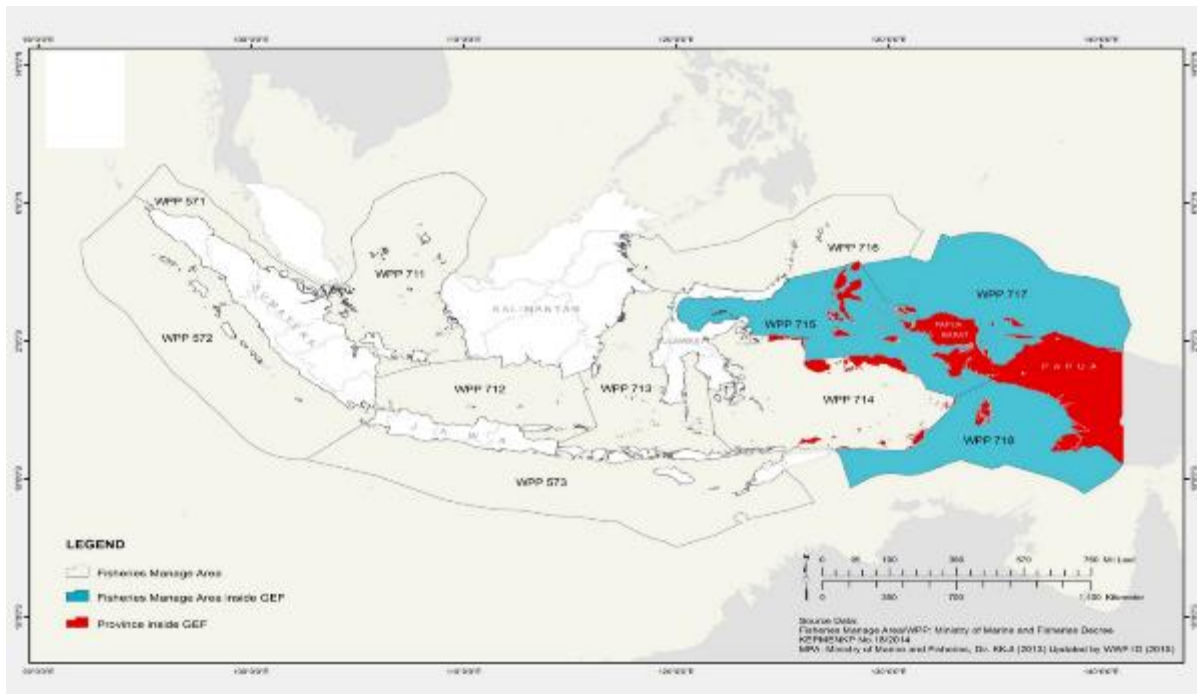
Indonesia has one of the world’s highest rates of seafood consumption with seafood representing an estimated 54 percent of the human population’s animal protein. Over 50 percent of fish sold on the domestic market is consumed fresh, and due to limited storage and infrastructure only 16 per cent of production is frozen. The rest of the production is mainly dried, salted, smoked or fermented. Almost all of Indonesia’s fishery consumption is met from domestic production.

The waters eastern Indonesia, FMAs 715, 717 and 718 represent the richest marine biodiversity on Earth. These three FMAs include critical habitat for high-value tuna and shrimp fisheries, small scale pelagic fisheries and reef fisheries as well as leatherback turtles and other endangered and threatened marine species.<sup>5</sup> Meanwhile, a study in West Papua Province, overlapping parts of all three of the FMAs, showed that over 75 percent of coastal households in these areas rely on marine fish as their primary or secondary source of protein and the majority of coastal households are categorized as food “insecure”.

<sup>5</sup> Ibid.



Figure 4: Map of FMAs in Indonesia's Waters. FMAs 715, 717, and 718 are highlighted in blue.



## 1.2. Environmental Problems, Root Causes, and Barriers

Indonesia's marine and coastal natural resources - and the many goods and services they provide—are at tremendous risk from a range of factors, including over-fishing, unsustainable fishing methods, land-based sources of pollution and climate change. Indonesia's 17,000 islands, 81,000 km of coastline and 3.2 million km<sup>2</sup> of ocean present a complex and significant management challenge for MMAF. A detailed Viability Analysis by FMA and ranking by species group can be found in [Appendix 2](#).

### Environmental Problems and Root Causes

Coral reefs provide habitat for the majority of fish caught by coastal fishers and support millions of jobs and subsistence livelihoods in Indonesia. A 2012 World Resources Institute report found that nearly 95 percent of the country's coral reefs are threatened by local human activities, with more than 35 percent in the high or very high threat categories. Overfishing and destructive fishing are the greatest threats, affecting more than 90 percent of reefs. While fishing pressure is highest on nearshore fringing reefs and in areas of high population density, these pressures can be found on almost all reefs, including those in remote areas. Destructive fishing (blast or poison fishing) is widespread and threatens nearly 80 percent of Indonesia's reefs (about 31,000km<sup>2</sup>).<sup>6</sup>

This same report notes that watershed-based pollution, including sediment and nutrient runoff from deforestation and agriculture, threatens more than 40 percent of the country's reefs and is more concentrated in central Indonesia and West Papua, where deforestation has been more widespread in recent years. Coastal development, including runoff from construction and waste from coastal communities, threatens about 20 percent of Indonesia's reefs while marine-based pollution affects less than five percent of reefs. When the influence of recent thermal stress and coral bleaching is combined with local threats, more than 45 percent of Indonesia's reefs can be considered under high or very high threat. The combined pressures leave few reefs in Indonesia unthreatened, with high to very high threats predominating, especially around Java and the Lesser Sunda Islands. However, most reefs have not been significantly impacted by bleaching. Thus, while diversity and live coral cover have

<sup>6</sup> Laretta Burke, et al.. Reefs at Risk Revisited in the Coral Triangle; World Resources Institute. Washington, DC: 2012.

declined, many reefs still have a good complement of species and could be resilient in the face of future change if local threats can be reduced.<sup>7</sup>

Most Indonesian fisheries are defined as fully exploited or over exploited. The number of fishing vessels continues to expand with clear signs of declining Catch Per Unit Effort (CPUE's) in many fisheries including many tuna species as well as small pelagic fish (scad, sardines and anchovies), Arafura shrimp and coastal reef fish. An estimated 80 percent of Indonesia's marine capture fisheries production is consumed domestically.<sup>8</sup>

### **Barriers to Sustainable Coastal Fisheries**

Barriers to achieving environmentally, economic and socially sustainable coastal fisheries in Indonesia mirror those identified by the CFI Global Programme and include:

- **Inappropriate incentives for responsible resource utilization:** In Indonesia, coastal fisheries are characterized by inappropriate incentives due to limited stakeholder involvement in resource management, unclear, conflicting and changing tenure rights over marine resources, and very limited market demand for responsible fishing and the prevention of wasteful practices. While the current government is taking important strides to address these issues, problems remain. In October 2016, a new law will transfer jurisdiction of all natural resources from the District level to a higher Provincial level. District governments are concerned by this centralization while there is wide concern regarding the ability of Provincial governments to adequately monitor and protect these resources. Meanwhile, while fishing licensing and regulatory frameworks are being developed, boats under 5 Gross Tons (GT) are still not regulated and constitute a large portion of the Indonesia fleet. Meanwhile, the lack of market demand for responsibly sourced and/or certified fish is lacking. And, with a 2015 population of some 255 million people, Indonesia is the largest consumer of fisheries products in the ASEAN region. Country population growth models indicate that consumption will double within the next 25 years putting further demand on fish stocks.
- **Lack of an enabling environment to allow for transitioning coastal fisheries to sustainability:** Despite the economic and social significance of Indonesia's coastal and marine ecosystems, the value of these fisheries and ecosystem services is not yet widely reflected in private sector sustainability investments. Aside from the relatively limited MMAF budget and the Ministry of Environment and Forestry (MoEF) (which manages some of the country's Marine Protected Areas (MPAs)), there is little investment from other ministries to secure the productivity of critical marine habitats. Meanwhile, provincial and district government budgets are not always aligned with sustainable development policies that will ensure the country's wealth of marine diversity and seafood productivity. Unfortunately, illegal, unregulated, and unreported fishing (IUU), including systematic overfishing and the use of destructive fishing gears, land-based sources of pollution, unplanned and unchecked coastal development, and climate change all jeopardize the future of Indonesia's marine biodiversity and fisheries potential. Indonesia loses approximately \$3-5 billion annually to illegal fishing. District and provincial governments lack the monetary and physical resources required to identify violators and enforce laws. Finally, a lack of infrastructure on boats and on land result in huge post-harvest losses of fish stocks.
- **Multiple and competing approaches to coastal fisheries governance and management:** In Indonesia, there are economic pressures for coastal development – tourism and aquaculture initiatives, that often end up negatively impacting the marine environment. Further there is a lack of appreciation and incentives for sustainable development the importance of natural ecosystems such as mangroves to help mitigate the impacts of climate change. Coordination, consistency, and complementarity among these approaches is lacking, including the integration of MPAs in fisheries management.

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<sup>7</sup> Ibid.

<sup>8</sup> Ilona Stobutzki, Mary Stephan and Kasia Mazur. Australian Bureau of Agricultural and Resource Economics and Sciences; Overview of Indonesia's Capture Fisheries, 2013 [http://aci-ar.gov.au/files/app5\\_indonesian\\_capture\\_fisheries.pdf](http://aci-ar.gov.au/files/app5_indonesian_capture_fisheries.pdf)

- **Lack of data on the status of fish stocks:** there is very little data available on fish stocks, especially for coastal fisheries. While some assessments have been conducted (as reflected in the [Viability Analysis in Appendix 2](#), more rigorous and frequent analyses are needed to ensure sustainable fishing limits.

### 1.3. Baseline Analysis and Gaps

#### 1.3.1 The Evolution of Indonesia’s MMAF and EAFM

MMAF was established in 1999, and prior government marine work was carried out under the auspices of the Ministry of Agriculture. When created, a Presidential Decree stipulated that the main mission of the MMAF is: “To Assist the President (of the Republic of Indonesia) in holding the process of governance in the Marine and Fisheries sector.”

MMAF functions include:

- The development of national policy, within the Marine and Fisheries sector;
- Governance within the Marine and Fisheries Sector;
- Management of state-owned properties under MMAF;
- Supervision of MMAF mission implementation; and
- Reporting to the President on all aspects of MMAF mission and function.

Under the current Joko Widodo administration, the MMAF is one of four ministries under the Coordinator Ministry of Maritime Affairs that also includes the Ministry of Transportation, Ministry of Tourism and the Ministry of Energy and Mineral Resources. MMAF oversees six international fishing ports and 20 national fishing ports. Indonesia’s waters include 11 FMAs which are to be managed by Fisheries Management Councils (FMC), though none are currently functioning. In addition to the FMAs Indonesia’s land area is divided into 34 provinces. Each province has a fishery and marine agency which serves as an extension of MMAF. Under the new Law 23 which will come in force in October 2016, MMAF is responsible for issuing fishing licenses for vessels larger than 30 GT, while provincial governments are responsible for issuing fishing licenses for vessels of 5-30 GT.

Per WWF, **Fishery Improvement Projects (FIPs)** are designed for a specific fishery and draw together fishers, industry, researchers, government and NGOs to help improve fishing practices and management to increase a fishery’s sustainability and (eventually) meet Marine Stewardship Council (MSC) requirements. Meanwhile, **Fisheries Management Plans (FMPs)** are being developed by MMAF for each FMA in Indonesia’s waters to help ensure the sustainability of all fisheries within an FMA.

As noted, in 2010, Indonesia, along with other Coral Triangle countries began considering EAFM as a framework for national fishery policy. An EAFM Roadmap was established and endorsed by the Government, and over the past several years, EAFM indicators have been developed and tested. FMPs have been drafted for all selected FMAs following an extensive status assessment and stakeholder consultation process led by the government and facilitated by WWF Indonesia. To date, while Indonesia has embraced EAFM, there has been little if any comprehensive application of the many processes and training required. Significant resources are needed to develop, test and apply EAFM tools and training models. While the adoption of EAFM is absolutely necessary to ensure the sustainability of the country’s fishing and marine resources, the full implementation of EAFM will require considerable financial and staffing resources.

#### 1.3.2 Project Gaps

While many organizations are working on aspects of marine conservation and EAFM, there is no one project or organization applying a focused and comprehensive EAFM approach that includes all stakeholders – coastal peoples, local, provincial, and national government, fishers and fisher associations, universities, and the seafood industry – or all components of the approach – policy frameworks and capacity building, technical instruments such as MPAs and FIPs, sustainable financing, and monitoring and knowledge sharing. Given the importance of



Indonesia's fish stocks for the nation's coastal peoples and world food source, there is an absolute and critical need to establish and apply a standard fisheries management scheme across the archipelago.

Gaps for the institutionalization of EAFM in Indonesia fall into four broad categories and include:

- 1) **A lack of regulatory frameworks supporting EAFM and a lack of adoption and enforcement of existing regulatory frameworks supporting EAFM.** While there are laws and regulations supporting EAFM in Indonesia, there is a lack of understanding of the rationale of these regulations by stakeholders at all levels. This lack of understanding leads to a lack of enforcement and a lack of compliance with these regulations, impeding the institutionalization of EAFM in Indonesia. Meanwhile, there remains a lack of legislation supporting EAFM including licensing, harvest control rules and tenure rights.
- 2) **A lack of tools and the application of tools to support EAFM adoption.** Basic fisheries information is lacking across Indonesia, and there is a need for more precise information on fish stocks (especially for coastal fishery stocks). While a network of national and provincial MPAs has been established, there is a very real need for better management and enforcement within these areas. While there is a growing understanding that fisheries are being depleted, there is a lack of adoption of FIPs and BMPs and other practices that can mitigate these losses and sustain fish populations over time.
- 3) **A lack of financing to support EAFM investment.** While there is growing investment across Indonesia, this investment tends to be short term and applied without a focus on sustaining fishing resources and the marine environment while providing for the long-term welfare of coastal peoples.
- 4) **A lack of knowledge sharing of best practices and lessons learned to help expedite the application of EAFM in Indonesia, across the CFI Global Programme and across marine geographies worldwide.** While there is enthusiastic support from governments, multi and bi lateral organizations, NGOs and donors for the adoption of EAFM across Indonesia and marine ecosystems in general, there is not a clear understanding of how EAFM can be effectively instituted and adopted. There is a lack of knowledge sharing of best practices to ensure the adoption of EAFM at a local, national, regional and even global scale.

## 1.4 Opportunities & Linkages (GEF & non-GEF interventions)

There are a suite of ongoing marine conservation and fisheries management efforts across Indonesia that are being undertaken by a wide array of donors. An overview of these programs is provided below:

### 1.4.1 The Bird's Head Seascape (BHS) Initiative

Conservation International, The Nature Conservancy, and WWF launched the Bird's Head Seascape (BHS) Initiative in 2004 in recognition of the extraordinary value of the marine ecosystems surrounding Indonesia's West Papua Province. The Initiative seeks to conserve the Seascape's unparalleled marine biodiversity in a way that empowers local indigenous communities while enhancing their food security and livelihoods.

Over 10 years of investment from more than 70 donors have resulted in the creation of a network of over 3.6 million hectares of MPAs in the BHS in West Papua. This MPA network, widely regarded as the epicenter of global marine biodiversity, represents over 20 percent of all MPAs in Indonesia and is co-managed by communities and government. In 2012, over 40 percent of the rural population was living in poverty, the highest in Indonesia and far above the national average rural poverty average of 14.7 percent<sup>9</sup>. Communities in West Papua are highly dependent on natural resources for survival, with fishing providing the majority of dietary protein for 75 percent of families. As such, the MPAs have been carefully designed to deliver biodiversity, fisheries, and social outcomes<sup>10</sup>.

<sup>9</sup> <http://pacificpolicy.org/2013/06/economic-and-social-indicators-in-west-papua/coastal>

<sup>10</sup> Vera N. Agostini, H. S. Grantham, J. Wilson, S. Mangubhai, C. Rotinsulu, N. Hidayat, A. Muljadi, Muhajir, M. Mongdong, A. Darmawan, L. Rumetna, M.V. Erdmann, H.P. Possingham. 2012. Achieving fisheries and conservation objectives within marine protected areas: zoning the Raja Ampat network. The Nature Conservancy, Indo-Pacific Division, Denpasar. Report No 2/12. 71 pp.

The West Papua government is now working with the NGO and philanthropic communities to transition the BHS Initiative from an international NGO-driven and donor-funded initiative, to one that is effectively managed entirely by local institutions and that is sustainably financed. The rationale behind this transition is a strong belief that transferring the management of the MPA network to local stewards will open up new opportunities for innovative conservation, fisheries, and community development work within the Seascope. Once successful, it will be Indonesia's first fully sustainably financed MPA network and will serve as a model throughout the country and region.

**Coordination with CFI Indonesia Child Project:** Coordination with the BHS is described in Section 3: Implementation Framework and Implementation Arrangements.

- **Conservation International**

Conservation International (CI) has led the Bird's Head Seascope coalition since the program's inception in 2004, serving as a backbone organization responsible for maintaining a comprehensive vision and workplan for the entire seascope. While CI's geographic focus with the BHS includes northern Raja Ampat and Kaimana (FMA 715), it also works across the Seascope maintaining the Seascope Secretariat and leading capacity development and provincial policy initiatives. CI's work addresses several cross-cutting themes: community-driven conservation, ecosystem approach to management of fisheries, marine protected areas, conservation of threatened species (turtles, mantas, and sharks), marine ecotourism, and sustainable financing. To date, CI has supported over 20 government, community, academic, and NGO institutions in the BHS totaling over \$25 million. CI has prioritized nearshore fisheries, choosing not to work directly on tuna or other offshore pelagic species in West Papua and to date has not engaged significantly on supply chains of commercial fisheries in the BHS.

- **The Nature Conservancy**

The Nature Conservancy (TNC) has long been active in the Indonesia marine conservation movement. Since the early 2000s, TNC has worked with WWF ID in the 1.4m ha Wakatobi Marine Park where it is now focusing on green turtle conservation activities that engage local people. Along with WWF ID and CI, TNC has played an instrumental role in the development of the regional CTI-CFF (see more information on this initiative in Section 1.4.5 below). TNC also works on marine conservation issues in the Savu Sea and worked closely with the Indonesian government in the establishment of an 8.6m ha whale sanctuary in these waters.

TNC has been a committed partner within the BHS since the program's inception with a geographic focus in southern Raja Ampat (FMA 715). TNC has worked with local government, communities and other partners to ensure the archipelago remains one of the world's most biodiverse regions while sustaining the valuable natural resources Raja Ampat's people need to maintain their livelihoods. Activities focus on maintaining the MPA network, incorporating MPA management into long-term planning and policy, creating education opportunities and raising awareness about marine habitats and resources in local communities. TNC has been a thought-leader on incorporating climate change resiliency principles into the MPA network. With operations focusing on southern Raja Ampat, TNC has been less engaged in provincial level policy and cross-cutting seascope management.

- **WWF Indonesia**

WWF ID has been working in the project area for over 30 years with current work focusing on the integration of conservation and sustainable economic livelihood development, enhancing capacity of local institutions for data and information collection and management, conducting scientific research on global migration patterns involving stakeholders in ecoregion action planning processes, and conducting education and awareness activities for local communities. WWF ID has worked intensively with MMAF on the development of FMPs in these FMAs by implementing activities with local stakeholders. WWF ID is also working with local universities to increase their capacity and involve them in fisheries management through the nation-wide network of learning centers. WWF ID has focused on strengthening management capacity within the Cenderwasih National Marine Park, and, as a

result, has been less focused on community-driven conservation than the other coalition partners working in locally-managed MPAs.

#### 1.4.2 MMAF

MMAF is committed to institutionalizing EAFM as the fisheries management approach in Indonesia. EAFM represents an integral part of the country's National Plan of Action (NPOA) that was developed as a part of the CTI-CFF and its Regional Plan of Action (RPOA) to sustainably manage the region's marine resources. A key element of this work has been the development of *Evaluasi Efektifitas Pengelolaan Kawasan Konservasi Pesisir dan Pulau Kecil*; a Management Effectiveness Tool for Marine Protected Areas (known commonly as E-KKP3K). This Programme was developed over the last five years in collaboration with the US National Oceanic and Atmospheric Administration (NOAA) and other institutions. MMAF is training all MPA managers in this tool to help ensure that MPAs are strategically planned and effectively managed and protected to ensure the sustainability of the country's marine resources. **Coordination with CFI Indonesia Child Project:** MMAF is the executing agency for the CFI Indonesia project, so there will be ongoing coordination throughout the life of project.

#### 1.4.3 Arafura and Timor Seas (ATSEA2)

The GEF supported Arafura and Timor Seas Expert Forum (ATSEA) was established in the early 2000s to support sustainable development livelihoods. Now in its second phase, ATSEA2 focuses on improved management capacity, carrying capacity and knowledge management for marine resources in the waters of Indonesia, Papua New Guinea, and Timor-Leste. In Indonesia, activities focus on FMA 718 and will complement the CFI Indonesia Child Project. ATSEA2 will be implemented in three pilot sites within the FMA (different sites from the CFI project) and will focus on the improvement of near shore fish stock while the CFI project will focus on deep sea fisheries (200m depth) fisheries within the FMA. The presence of both projects within the FMA with their complimentary focus will allow for information exchange and learning that will result in a more comprehensive sustainable management of the areas marine resources. **Coordination with CFI Indonesia Child Project:** There is geographic overlap with this project in FMA 718. Meetings have been held with ATSEA2 staff as a part of the CFI Indonesia Child Project development to ensure complementary programming, and this coordination will continue throughout the life of project.

#### 1.4.4 The Meloy Fund

Conservation International serves as the Implementing Agency for the GEF supported Meloy Fund which is being executed by RARE in Indonesia. (See more on this project in Section 1.4.6 below). The Meloy Fund seeks to improve the conservation of coral reef ecosystems by providing financial incentives to fishing communities in the Philippines and Indonesia to adopt sustainable fishing behaviors and rights-based management regimes through capital investments in commercially viable enterprises. The project "impact fund" is designed to play an important role in minimizing risks to historically undervalued and underappreciated coastal fisheries. Although the Meloy Fund and the Blue Abadi Fund support a similar goal of enhanced biodiversity, their approaches are distinct from each other in several ways:

- The Meloy Fund is an investment fund, which makes loans and takes equity positions in enterprises which support improved fisheries management and local communities, enroute to better biodiversity protection. In contrast, the Blue Abadi Fund is a trust fund, which creates an annuity that funds, in perpetuity, marine protected area management.
- The Meloy Fund is funded by investors, has a discreet lifecycle, and is managed by investment professionals. The Blue Abadi Fund, on the other hand, will be governed by a mix of stakeholders that have various roles in the administration and management of marine parks. It's investment portfolio will also be managed by investment professionals.
- Geographically, the Blue Abadi Fund funds activities in the Bird's Head Seascape, and the Meloy Fund will consider investments in any region of Indonesia that meets investment criteria.

**Coordination with CFI Indonesia Child Project:** The Meloy Fund has just entered the Project Preparation

Grant (PPG) phase and will reach out to the Blue Abadi Fund project implementers to make them aware of the Meloy Fund and consider opportunities for potential collaboration. The Meloy Fund will seek to collaborate with the Blue Abadi Fund, wherever relevant, including where there is overlap in geography, fund recipient, or otherwise.

#### **1.4.5 The National Coordinating Committee for the Coral Triangle Initiative for Coral Reefs, Fisheries and Food Security (CTI-CFF) Indonesia**

The CTI-CFF is a multilateral partnership of six countries (Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor Leste). The CTI responds to a Regional Plan of Action (RPOA) that has five goals: strengthening the management of seascapes, promoting an ecosystem approach to fisheries management, establishing and improving effective management of marine protected areas, improving coastal community resilience to climate change, and protecting threatened species. A Regional CTI-CFF Secretariat has been established in Manado (on the Indonesian island of Sulawesi) and the nation of Brunei has applied to become a member. In May 2014 at a Ministerial Meeting of the CTI-CFF, all Coral Triangle countries agreed to adopt EAFM as a common fisheries management strategy across the region. **Coordination with CFI Indonesia Child Project:** MMAF and CI have and continue to worked closely with CTI-CFF. There will be ongoing coordination throughout the life of project.

#### **1.4.6 The Environmental Defence Fund (EDF)**

In Indonesia, EDF works with organizations, government, communities and other stakeholders to explore ways to design and implement fisheries management systems that help communities prosper even as they help rebuild depleted fish populations and marine ecosystems. They have partnered with RARE and the Sustainable Fisheries Partnership in [Fish Forever](#), which aims to demonstrate productive, sustainable and profitable nearshore fisheries in the developing tropics with a focus on Indonesia as well as Belize, Brazil, Mozambique, and the Philippines. **Coordination with CFI Indonesia Child Project:** MMAF has worked closely EDF as they promote sustainable fisheries policy in FMAs 712, 713, and 715. There will be ongoing coordination throughout the life of project.

#### **1.4.7 RARE**

Since 2010, RARE has partnered with local organizations across 20 coastal regions in Indonesia to establish and strengthen fish recovery zones. Through the [Fish Forever](#) Programme which includes EDF and SFP, RARE focuses on building the capacity of local communities to implement best practices in FMAs 712 and 715. RARE also supports EAFM by and policies designed to improve sustainable fisheries management they have helped establish 34 fish recovery zones covering a combined total area of 52,139 hectares in the BHS. RARE is currently training more than 100 local government officials and leaders in EAFM application and improving the management of up to 120 municipal marine protected areas.

RARE is also implementing The Meloy Fund, an \$18M impact investment fund devoted to providing debt and equity capital into scalable enterprises that can play a key role in incentivizing sustainably managed community small-scale fisheries, contributing to the maintained integrity and functioning of coral reef ecosystems in Indonesia and the Philippines. The investments of this fund will be highly leveraged by RARE's local presence and accumulated technical expertise in Indonesia and will create strong financial, social and environmental returns for shareholders and promoting risking community fisheries as a viable market for later stage commercial investment. **Coordination with CFI Indonesia Child Project:** Both CI and WWF ID work closely with RARE in the coordination and implementation of activities in the BHS. As RARE is working to apply aspects of EAFM within the project area but in different sites, their presence will provide an opportunity for ongoing coordination and learning from and about EAFM into a broader geography throughout the life of project.

#### **1.4.8 Sustainable Fisheries Partnership (SFP)**

The Sustainable Fisheries Partnership (SFP) is a member of [Fish Forever](#) along with EDF and RARE. SFP is working on a snapper/grouper FIP in Indonesia's Makassar Strait in South Sulawesi and in the Java Sea. SFP is

also facilitating a Indonesia Snapper Grouper Supply Chain Roundtable. Indonesia fishing companies have been spurred to develop the FIP due to pressure from their buyers. **Coordination with CFI Indonesia Child Project:** CFI Indonesia will look to SFP to garner lessons learned from their FIP implementation for snapper and grouper.

#### **1.4.9 USAID Indonesia SEA**

The USAID Indonesia Sustainable Ecosystems Advanced (SEA) Project will start up in 2016 under Tetra Tech and WWF ID. This project seeks to:

- enhance conservation and sustainable use of marine resources by reforming fisheries management;
- promote marine protected areas to enhance fisheries productivity, food and nutrition security, and sustainable livelihoods within the target area; and
- strengthen the leadership role and capacity of MMAF and local governments to promote conservation and sustainable fishing.

EAFM is a cornerstone of SEA along with stakeholder engagement with fishers, the public at large, the private sector, and elected leaders. SEA will be implemented in FMA 715, a vast and diverse area that includes six districts within three adjacent provinces in eastern Indonesia (West Papua, North Maluku, and Maluku) known to possess exceptionally high marine biodiversity. While SEA will be implemented in 715, it will not operate in the same project sites as the CFI Indonesia Child Project. However, the presence of the project in the area will allow for information exchange on best practices and lessons learned and accelerate the application of EAFM in Indonesia. **Coordination with CFI Indonesia Child Project:** There is geographic overlap with this project in FMA 715. WWF ID will be the primary NGO implementing SEA, so there will be ongoing coordination throughout the life of project.

#### **1.4.10 Western and Central Pacific Fisheries Commission (WCPFC)**

The WCPFC was established by the Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPF Convention) in June 2004. With GEF funding, the WCPFC address the management of high seas fisheries resulting from unregulated fishing, over-capitalization, excessive fleet capacity, vessel re-flagging to escape controls, insufficiently selective gear, unreliable databases and insufficient multilateral cooperation in respect to conservation and management of highly migratory fish stocks. Members include Australia, China, Canada, Cook Islands, European Union, Federated States of Micronesia, Fiji, France, Indonesia, Japan, Kiribati, Republic of Korea, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States of America, and Vanuatu. Work in Indonesia focuses on five FMAs: 713, 714, 715, 716, and 717. **Coordination with CFI Indonesia Child Project:** While there is geographic overlap with in FMAs 715 and 717, WCPFC work will focus on high seas initiatives while CFI Indonesia will focus on the implementation of EAFM in coastal fisheries. The projects will be complementary and together will ensure the implementation of EAFM.

#### **1.4.11 Coral Reef Rehabilitation and Management Program-Coral Triangle Initiative (COREMAP – CTI)**

The COREMAP – CTI funded by the GEF and World Bank aims to strengthen the institutional capacity to conserve and manage coral reef ecosystems and their resources while empowering coastal communities to sustainably manage their coral reefs. COREMAP-CTI builds on the achievements of the previous COREMAP I and COREMAP II projects to ensure that coral reef protection becomes an integral part of development planning and improves the welfare of coastal communities. COREMAP - CTI works with 210 communities in five provinces across Indonesia and supports 13 Marine Conservation Areas covering some 5.7 million hectares in FMAs 711, 715, and 718. COREMAP-CTI continues a 15-year partnership between the Government of Indonesia, the World Bank, and GEF. Per the Convention on Biological Diversity (CBD), the Government of Indonesia has pledged to set aside 20 million hectares of Marine Conservation Area by 2020 as a part of their Aichi Targets. To date some 17 million hectares have been demarcated and 5.5 million hectares have been brought under management plans. The COREMAP-CTI project is the principal mechanism to meet this commitment. **Coordination with CFI Indonesia Child Project:** There is geographic overlap with this project

in FMA 715 and 718. Lessons learned through the implementation of EAFM will be shared through IW:LEARN as well as through other GEF venues.

#### **1.4.12 Indonesia Seas Large Marine Ecoregion (ISLME)**

The GEF 5 funded ISLME project will begin in 2016 and will facilitate the implementation of EAFM to ensure the sustainable development of ecosystem resources. The project will be implemented in FMAs 573, 712, 713, and 714. With funding from the GEF International Waters, the overall objective of this 4-year project is to develop a Strategic Action Programme (SAP) based on a Transboundary Diagnostic Analysis (TDA) to reduce stress on the marine resources and ecosystem through improved understanding of LME processes and the development of sustainable ecosystem-based management actions, which also promote increased resilience to climate variability and change. Activities in Indonesia will focus on FMAs 712, 713, 714, and 715. **Coordination with CFI Indonesia Child Project:** While there will be no geographic overlap with this project, lessons learned through the implementation of EAFM will be shared through IW-Learn as well as through other GEF venues.

#### **1.4.13 The Coastal Fisheries Initiative Challenge Fund Enabling Activity**

As a part of the overall GEF CFI Programme, the World Bank is developing a Challenge Fund Enabling Activity (CFI-CF) CFI, an innovative financial mechanism that will foster private investment into sustainable fisheries management and provide additional resources to complement and accelerate the adoption of EAFM elements while ensuring a nexus between sustainability of fish stocks and financial viability. This fund will provide additional monies and resources that will further accelerate the adoption of sustainable coastal fisheries practices. More specifically, the CFI-CF will provide technical and financial support for improvements that are designed to attract private investors into sustainable fisheries by providing an analytical and advisory support facility, investment selection, supervision and monitoring and evaluation facility, and an opportunity for South-South knowledge sharing and learning. The CF will operate in the overall CFI geographies to leverage and complement efforts. The CFI-CF has developed a set of desired outcomes focusing on fisheries and private sector initiatives, and all proposed investments should demonstrate their ability to ensure these outcomes:

##### **A. Fishery**

- i. Stable, sustainable management
- ii. Healthier fish stocks
- iii. Higher quality employment opportunities

##### **B. Enterprise**

- i. Fishery enterprises able to absorb private capital investment within three to five years
- ii. More sustainable fishing practices translate into more profitable businesses at the harvester level of the value chain.

The CF is being led by the World Bank and will be implemented over 5 years with a \$7.8 million contribution from the GEF which is expected to leverage more than \$40 million in cofinancing.

**Coordination with CFI Indonesia Child Project:** The CFI-CF has identified Indonesia as an initial pilot country for piloting investment risk reduction instruments that engages/educates likely investors and develops a pipeline of investable projects. Additionally, during implementation of the CFI-CF will foster fisheries investment dialogues within the government<sup>11</sup> to refine and expand and vet investments with Indonesian banks, regulators, and stakeholders in the Indonesian fishery sector, with MMAF being central to both the CFI-CF and the CFI Indonesia child project coordination. Coordination will be ongoing during the life of project through the broader CFI Programme. To ensure this coordination, representatives from the CF will be invited to the CFI Indonesia Inception Workshop.

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<sup>11</sup> The Indonesian Financial Services Sector Oversight Agency (OJK) and the Ministry of Marine Affairs and Fisheries (KKP) have signed a memorandum of understanding to work together to promote sustainable financing for fostering inclusive growth in the fisheries and aquaculture sector.

An overview of the geographies these projects is provided below. The three FMAs in green indicate those where the CFI Indonesia project will be working.

Figure 5: Overview of Existing Projects per FMA in Indonesia.

Project	FMA 571	FMA 572	FMA 573	FMA 711	FMA 712	FMA 713	FMA 714	FMA 715	FMA 716	FMA 717	FMA 718
ATSEA*											X
Bird's Head Seascape								X		X	
CI			X	X		X		X		X	
COREMAP-CTI*				X				X			X
The Meloy Fund*	FMAs TBD during Meloy Fund Project's PPG Phase.										
NCC CTI-CFF Indonesia						X	X	X	X	X	X
EDF					X	X		X			
ILSME*					X	X	X	X			
RARE					X		X	X			
SFP					X	X					
TNC			X					X	X		
USAID INDONESIA SEA								X			
WCPFC*						X	X	X	X	X	
WWF-ID		X	X	X	X	X	X	X	X	X	X

\* Includes GEF funding.

## SECTION 2: GEF INTERVENTION STRATEGY

### 2.1 Project Scope, Vision and Objective

This GEF CFI Indonesia Child Project represents a first, timely and ideal opportunity to implement a comprehensive EAFM Programme in Indonesia's richest marine waters. Through a robust CFI Programme-wide M&E and learning effort, lessons learned from this project regarding policy development, sustainable financing, and implementation with communities, government, universities, and industry will be analyzed, revamped, applied and across Indonesia's diverse marine portfolio and beyond. At the same time, the CFI Indonesia project will look to the other CFI projects and use their experiences and learning to guide and accelerate the application of EAFM in these waters and across Indonesia FMAs.

#### **CFI Indonesia Vision:**

The implementation of EAFM practices, financing, and monitoring protocols in three FMAs in eastern Indonesia will provide lessons learned and enhanced understanding and capacity for the adoption and implementation of EAFM across Indonesia and other countries ensuring marine biodiversity conservation and sustainable food stocks for local and global populations.

The CFI Indonesia Child Project was designed through a consultative process carried out over a 12-month period. As a part of the project design, a Conceptual Model was developed to determine where the project should target its efforts to ensure change to support EAFM. Through the development of this Conceptual Model, desired conditions were identified along with threats and drivers that impede these desired conditions. Strategies were then identified to best address these threats and to attain the desired conditions. A summary of this analysis can be found in the Conceptual Model and Results Chains in Appendix 4.

This analysis also helped determine the ideal geographic area for the project, and the GEF CFI Indonesia Child Project will be implemented in three FMAs located in eastern Indonesia in waters of unprecedented marine biodiversity. These waters represent a critical global food source and provide a vital source of protein and livelihoods to millions of coastal peoples. Two of these FMAs (717 and 718) abut international waters. The total area covered by project area represents approximately 1.5Mkm<sup>2</sup> of ocean, an area approximately the size of central Europe.

The **objective** of the GEF CFI Indonesia Child Project is to contribute to coastal fisheries in Indonesian FMAs 715, 717 and 718 by delivering sustainable environmental, social and economic benefits and demonstrating effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. Within the CFI Programme Results Framework, the CFI Indonesia Project will directly contribute to the improved management 5.5 million hectares of seascapes and move an estimated 39,329 tonnes of fisheries into sustainable production levels across the three project FMAs.

#### **Linkages with Broader MMAF Initiatives**

The CFI Indonesia Child Project design responds to the government's plan to embed EAFM as a fisheries management approach and represents an integral part of the country's National Plan of Action (NPOA) that was developed as a part of the CTI-CFF and its Regional Plan of Action (RPOA) to sustainably manage the region's marine resources. The project will build upon and expand fisheries and MPA policy and provide marine conservation capacity building models for MPA managers that were developed with the support of USAID Indonesia Marine Protected Area Governance project (MPAG) and the Indonesia Marine and Climate Support (IMACS) project, both of which concluded in 2015. The CFI Indonesia Child Project will also learn from and liaise with other past and existing regional efforts including the now ended GEF funded Bay of Bengal Large Marine Ecosystem (BOBLME) project that focused on the implementation of strategic planning and monitoring in Indonesia's Indian Ocean FMAs and the Coral Reef Rehabilitation and Management Program-Coral Triangle Initiative (COREMAP – CTI) project which is currently promoting EAFM through the establishment of MPAs. The project will complement the GEF funded Arafura and Timor Seas (ATSEA 2) project which is being



implemented in the waters of Indonesia, Papua New Guinea and Timor-Leste and will overlap with the CFI Indonesia project in FMA 718. (Find more information on these two GEF projects above). The project will also coordinate with the USAID SEA project that will be implementing EAFM activities in FMA 715 and with the USAID RDMA OCEAN project to help ensure a harmonization of marine policy across the southeast Asian fishing nations.

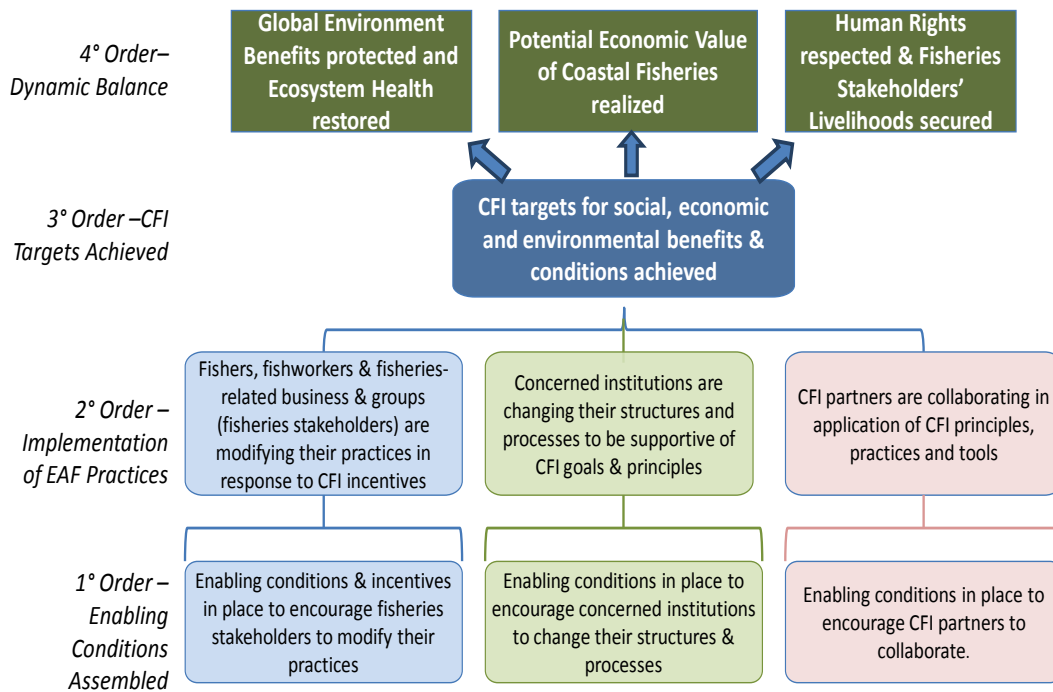
Finally, as CI, TNC, WWF ID as well as other organizations all have ongoing and joint activities in the region, coordination with the CFI project will be an intrinsic part of project planning. The project will be closely coordinated with the decade-old West Papua “Bird’s Head Seascope” initiative, of which CI and WWF-ID are integral partners. This CFI Indonesia Child Project will build and expand upon existing collaborative scientific efforts being carried out in the region such as WWF ID’s promotion of EAFM through biodiversity conservation, sustainable marine tourism, the establishment of fisheries coordination mechanisms, CI’s focus on integrated Seascope design and the facilitation and promotion of local fisheries management and leadership, and MMAF’s efforts to build management capacity for fisheries and MPAs.

The CFI Global Programme Theory of Change establishes that coastal fisheries can be effectively and sustainably managed when three conditions are met:

- **Resource users have the right incentives to manage those resources and related ecosystems / habitats**  
The CFI Indonesia Child Project will provide funding to institutions (including community groups) at the District, Provincial and Community level that are investing in sustainable fisheries and sustainable development initiatives. The Project will also work with local communities and stakeholders to conduct stock assessments and develop Rights Based Management initiatives that will establish tenure, thereby reducing pressure on fish stocks.
- **Effective systems of governance are in place**  
The CFI Indonesia Child Project will work with local governments to ensure that they understand and are trained in the application of existing EAFM regulations and new regulations that may be developed. The Project will also work with a wide group of stakeholders including local governments, fishers, industry, and community organizations to ensure that they understand the rationale behind these regulations and their linkages to EAFM. Given the biodiversity importance of the area, the Project will work with MPA staff to monitor and improve management effectiveness across MPAs using the government’s E-KKP3K Management Effectiveness Tool for Marine Protected Areas.
- **Governments, private sector and other actors recognize the need for holistic ecosystem based fisheries management based on environmental, social and economic sustainability.**  
The Indonesia Child Project will work with a wide array of stakeholders that includes local government officials, fishing industry representatives, small scale fishers and community groups. Information and knowledge sharing within and among these groups and with other regional and international networks will be a Project cornerstone. It is essential that stakeholders recognize the rationale behind EAFM and its associated policy framework (regulations, laws) and tools (FIPs, MPAs, and BMPs) if EAFM is to be institutionalized across Indonesia’s waters.

This CFI Programme Theory of Change is depicted in the schematic below.

Figure 6: CFI Programme Theory of Change.



The associated CFI Programme Cross Map Results-Based Framework depicting the contributions of each of the CFI projects towards the theory of change along with CFI Program Theory of Change Indicators can be found in [Appendix 3](#).

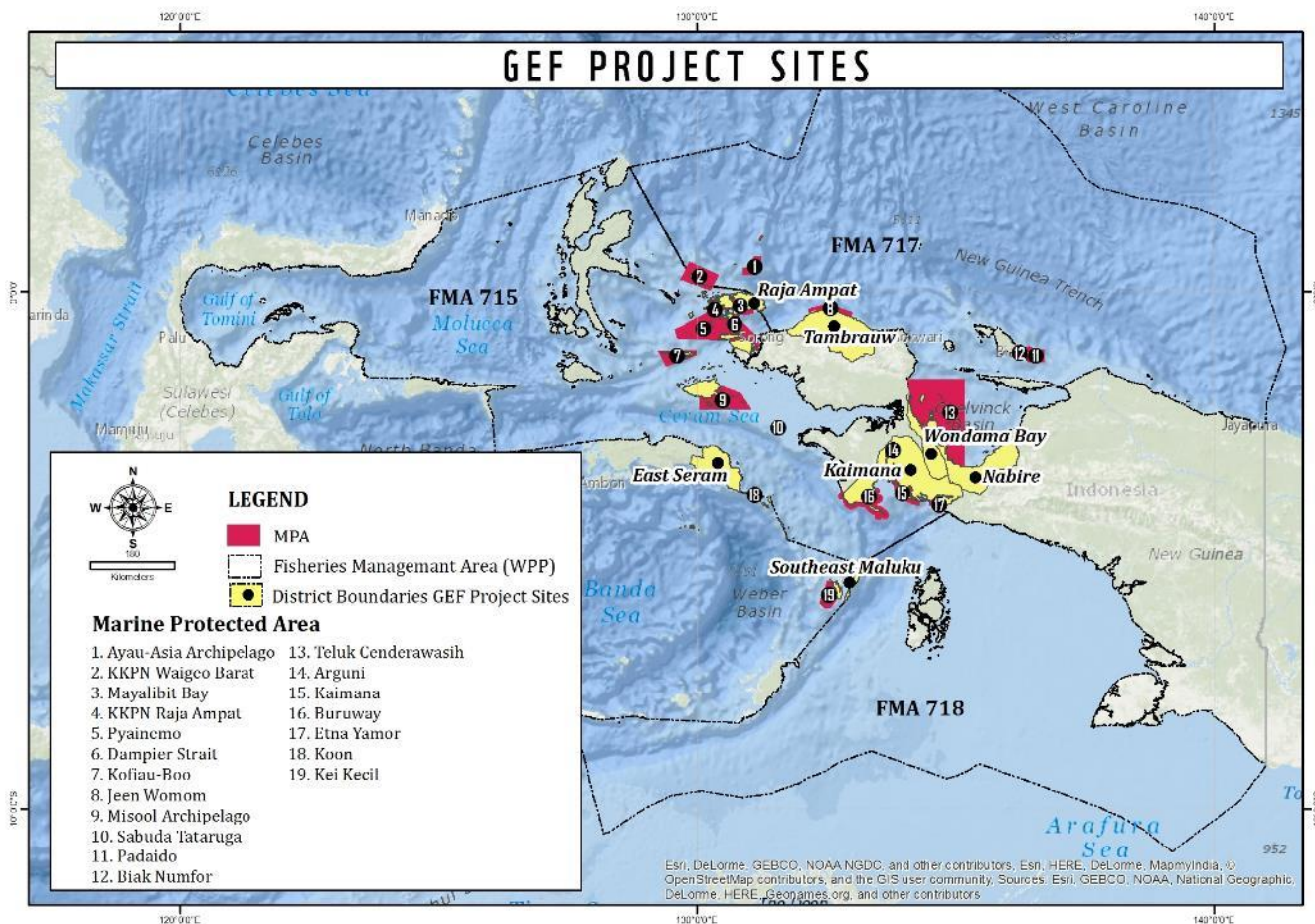
### Project Scope:

The CFI Indonesia project will support the implementation of EAFM in coastal waters within 12 nautical miles of shore – waters, which as of October 2016 will be under the jurisdiction of Provincial governments and where the vast majority of Indonesia’s coastal fishers operate. Maps of the proposed project area and each FMA (715, 717, and 718) can be found in [APPENDIX 1: Project Maps](#) while a comprehensive overview of each FMA is provided in [APPENDIX 2: CFI Indonesia Child Project Threats Rating and Viability Analysis](#). More specifically, the CFI Indonesia Child Project will support activities within seven Districts (*Kabupaten*) within the three FMAs. Components A and B focus on conservation and payment for environmental services while Component C focuses on sustainable financing through the Blue Abadi Trust Fund. Project Component D is focused on monitoring and evaluation, knowledge management, and knowledge sharing for the entire project area.

Figure 7: CFI Indonesia Pilot Sites by FMA.

District ( <i>Kabupaten</i> )	Province	FMA	Population	Project Intervention
East Seram	Maluku	715	99,000	Components A, B and D
Raja Ampat	West Papua	715	45,923	Component C and D
Kaimana	West Papua	715	54,165	Component C and D
Wondama Bay	West Papua	717	29,791	All Project Components
Nabire	Papua	717	137,776	Component C and D
Tambrau	West Papua	717	13,615	Component C and D
Southeast Maluku (Tual)	Maluku	718	96,000	Components A, B, and D

Figure 8: Map of CFI Indonesia Child Project Sites.



## 2.2 Conservation Targets Rationale (including GEF Global Environmental Benefits)

The CFI Indonesia Child Project will contribute to Global Environmental Benefits (GEBs) identified by the GEF in both the Biodiversity and International Waters WPPs sectors. A brief description of this contribution is included below:

Figure 9: CFI Indonesia Contribution to GEBs.

RELEVANT GEF BIODIVERSITY GEBs	CFI INDONESIA CHILD PROJECT CONTRIBUTION
Conservation of globally significant biodiversity	The CFI Indonesia Child Project will be implemented in FMAs 715, 717, and 718, an area covering 1.6 million km <sup>2</sup> of ocean. These waters include the most biodiverse marine habitat on Earth including over 600 different species of reef-building corals and 2000 species of reef fish that are important for biodiversity value as well as for world fisheries resources.
Sustainable use of the components of globally significant biodiversity	The Project will promote the adoption of EAFM principles that are founded in the sustainable use of marine biodiversity that will help secure the fisheries resources of the area. Specifically, the CFI Indonesia project will move at least 400,000 tons (~ 2 percent) of globally over-exploited fisheries to more sustainable levels.
RELEVANT GEF INTERNATIONAL WATERS GEBs	CFI INDONESIA CHILD PROJECT CONTRIBUTION
Restored and sustained freshwater, coastal, and marine ecosystems goods	The Project area includes 12 MPAs covering more than 5.5 million ha of ocean. Project activities will include MPA creation and improved

and services, including globally significant biodiversity, as well as maintained capacity of natural systems to sequester carbon.	management effectiveness that will help sustain critical marine habitat needed to sustain marine ecosystem goods and services including viable fish stocks and their associated habitat.
Reduced vulnerability to climate variability and climate-related risks, and increased ecosystem resilience.	The Project's focus on mangrove habitats will contribute to increased ecosystem resilience to climate change.

The CFI Indonesia project has identified four conservation targets as a part of a Project and Programme Management Standards (PPMS) work that will feed into and inform the GEBs. Four grouped fishery targets were identified that embody the ecological attributes and functions that are most critical to maintain the functionality of the project area for the long-term:

- small pelagic fish including anchovy, sardines, scad and mackerel (*Rastrelliger* spp.) species;
- reef fish (grouper and snapper);
- endangered marine species including turtles and whale sharks; and
- mud crab (*Scylla* spp.).

The viability of each target group was assessed based on Key Ecological Attributes (KEAs) needed to render these targets viable over time. While specific stock assessment data for these conservation targets is lacking in Indonesia and in the three FMAs, there is a widely-held expert opinion that all of these species are declining in number. An overview of their importance and general status is provided below while a summary Viability Analysis can be found in [APPENDIX 2: CFI Indonesia Child Project Threats Rating and Viability Analysis](#).

- **Small pelagic fish:** Pelagic fish include a wide array of species such as small tuna, mackerel and sardines that dominate sunlit ocean waters to a depth of some 655 feet (200 meters). While these species provide an important food source for other, larger fish, they increasingly provide an inexpensive protein for lower income for coastal communities. Their value makes economic as well as nutritional sense: small fish are more nutritious than big fish as they supply higher amounts of minerals per unit of weight. Small pelagic fish constitute an important protein source for coastal peoples and are used as bait fish for local and national fishing.
- **Reef fish** (grouper and snapper): Snapper and grouper are fished by artisanal and larger vessels with a wide array of gear types. While snapper is consumed locally and within the national fish consumption market, grouper is fished in Indonesia's waters as a part of the live reef fish food trade that is dominated by Hong Kong and Singapore markets. Given their export value, many of these fish are captured as juveniles and grown out in cages until they reach an ideal "plate" size. This capture removes the fish from their reproduction cycle, ultimately resulting in declining populations of these stocks.
- **Marine endangered species** (leatherback turtles and whale sharks): FMAs 715, 717, and 718 are home to six of seven of the world's marine turtle species including the International Union for the Conservation of Nature (IUCN) critically endangered leatherback (*Dermochelys coriacea*), while the "vulnerable" ranked whale sharks (*Rhincodon typus*), the world's largest known fish species, also call these waters home. Across the project area, these species are susceptible to bycatch from other fisheries and harvesting by coastal peoples for food. While these species play an important role as a part of a healthy marine environment, they are playing an ever more important economic role as the region becomes an important global tourist destination.
- **Mud crabs:** Mud crabs represent an essential protein source for coastal peoples across Indonesia including eastern Indonesia. While aquaculture for mud crabs is growing around the world, the market in eastern Indonesia relies on wild catch populations. Mangroves provide essential habitat for these crabs, and their destruction results in a loss of reproductive habitat. Mangroves can also help mitigate coastal flooding that may be associated with climate change.

Together, these species and the diverse marine environment they live in provide critical ecosystem services, such as food, (including a vital source of protein), livelihoods (from both the fishing and tourism industries), cultural heritage, and buffers from natural disasters for the residents of coastal communities of these three FMAs.



Indirectly, these waters also provide human well-being to these coastal communities by helping to ensure health, wealth, political empowerment, education and an ongoing cultural identity that has been passed down through many generations.

### 2.3 Direct and Indirect Threats

With an increasing scarcity of marine resources around the world, in recent years the species rich waters of FMAs 715, 717, and 718 have become an important global source of seafood. Increasing fishing pressures have impacted the fisheries in each FMA, and in general, fish stocks in FMA 715 (which does not abut international waters) are in worse condition than those found in FMA 717 and 718. Through the development of the Project [Conceptual Model](#), a wide array of direct and indirect threats has been identified that directly or indirectly impact project targeted species.

Legal overharvesting, Illegal Unregulated and Unreported (IUU) fishing, bycatch, destructive fishing, destructive terrestrial activities, climate change, land based pollution, sea based pollution, harvesting of endangered species, and coastal conversion were all identified as threats. Of these threats, **legal overharvesting, IUU, bycatch, destructive fishing practices, and destructive terrestrial activities** represent the most immediate threats to Indonesia's marine ecosystem including those in FMAs 715, 717 and 718. An assessment of the impact that each of these threats has on each conservation target can be found in [APPENDIX 2: CFI Indonesia Child Project Threats Rating and Viability Analysis](#) .

**Legal overharvesting:** Per MMAF regulation, stock assessments for major commercial fish species are to be conducted every two years. Unfortunately, these assessments have not been regularly undertaken, and the last full assessment was carried out in 2011 (though some assessments on specific stocks were undertaken in 2013). As a result, there is an overall lack of information about the size and quality of Indonesia's fish stocks, and only in 2015 did Indonesia begin a concerted effort to determine Harvest Control Rules (HCR) for skipjack and tuna. Quality stock control estimates are necessary to implement HCR and are needed for the wide array of Indonesia's commercial fisheries. Project activities to address legal overharvesting will focus on HCR implementation and biannual (every two years) stock assessments for select species in select sites in each FMA. These assessments will include reef fish in East Seram (FMA715), small pelagic fish and reef fish in Wondama Bay (FMA 717), and reef fish and mud crab in Tual and Southeast Maluku (FMA 718). Data gathered through these assessments will be used to monitor project progress towards desired viability ratings for target species as noted in the Viability Assessment in [Appendix 2](#).

**IUU:** According to MMAF, some 5000 vessels operate illegally in Indonesia's waters daily and IUU fishing is responsible for some \$3billion in annual losses for Indonesia. Since coming into power in late 2014 and as of February 2016, the Widodo administration has taken an unprecedentedly strict and public position on IUU fishing and more than 150 ships flying under the flags of China, Malaysia, the Philippines, Papua New Guinea, Thailand Vietnam, and even Indonesia have been seized while some 113 have been sunk. Meanwhile, 15 fishing companies have lost their business permits due to illegal fishing activities. The Indonesia Navy is collaborating with MMAF to help eradicate IUU by providing ships to help with enforcement. While most of Indonesia's anti IUU efforts address illegal fishing conducted by vessels flying under the flags of other countries, there is significant IUU conducted within Indonesia's coastal waters by small and medium sized vessels which are only rarely sanctioned. The CFI Indonesia Child Project will address destructive fishing by supporting MMAF efforts while empowering community and local government enforcement activities.

**Bycatch:** Data on bycatch has not been documented in detail, however, fisheries in the Arafura Sea are known to have bycatch issues, especially with marine turtle populations that use the sandy beaches for nesting. The leatherback turtle is critically endangered, and two of the FMAs (715, 718) include critical nesting habitat while all three FMAs provide important forage habitats. Per MMAF Ministerial Decree No 2/2015, trawlers and seines are banned. While this ban has reduced turtle bycatch, it remains a problem. The Papua Province government has initiated by-catch management activities in the Arafura Sea through cooperation with PT. Sucofindo and the

Fisheries and Marine Science Faculty of the Agriculture Institute of Bogor. The CFI Indonesia Child Project will address bycatch through the promotion and implementation of FIPs at sites in each of the three FMAs. The project will also provide training about bycatch issues and enhanced law enforcement while mandatory monitoring of bycatch by the fishing industry will be included as part of any FIP establishment.

**Destructive fishing:** Dynamite fishing and cyanide injections in reefs are the most common forms of destructive fishing. Dynamite fishing has a widespread impact as coral reefs are often destroyed during the explosion. For cyanide fishing, the liquid is injected into the coral to stun and flush out valuable reef fish (grouper and ornamental fish) so they can be easily harvested. When the cyanide is injected into or near coral, it dies. While there are regulations in place against both dynamite and cyanide fishing, enforcement can be difficult. Dynamite fishing is noisy, and easier to detect in the moment while cyanide fishing occurs under water with the coral dying over time. In July 2012, the Indonesian Institute of Sciences, which is the government authority for science and research in the country, surveyed and monitored 77 sample sites in the Indonesian archipelago and determined that 70 percent of the reefs surveyed were either damaged or destroyed. In line with IUU fishing, the project will address destructive fishing by supporting MMAF efforts while empowering community and local government enforcement activities.

**Destructive terrestrial activities:** Destructive activities such as charcoal and paper pulp production and clearing for coastal development are destroying mangrove habitat. Mangroves can help mitigate the impacts of coastal flooding, and they also provide critical habitat for several marine species including mud crab – one of the conservation targets of this CFI Indonesia project as it is a vital protein source for the region’s coastal peoples. The project will seek to curb and reduce mangrove destruction through capacity building and training activities conducted in learning centers and through the establishment of a FIP for mud crab.

An overview of specific actions that the project will undertake to address each threat is included in the table below. Specific activities can be found in Appendix 12.

Figure 10: CFI Indonesia Threats.

Threat	Description/Notes	CFI Indonesia Activities to Address Threat
Legal Overharvesting	Stock assessments have not been completed for all species, however, some overfishing indicators have been identified.	<ul style="list-style-type: none"> <li>• Conduct stock assessments for key species</li> <li>• Establish licensing requirements for fishers</li> <li>• Establish log book monitoring</li> <li>• Institute Rights Based Management Protocols</li> <li>• Promote measures to reduce postharvest losses</li> <li>• Establish a data collection system for various fisher groups to collect information and share information on fish landing, fishermen, fishing areas and prices.</li> </ul>
Illegal, unregulated and unreported (IUU) harvesting	Systems and resources for tracking, reporting and verifying catch are lacking.	<ul style="list-style-type: none"> <li>• Establish FIPs</li> <li>• Work with fish buyers to promote more sustainable seafood</li> <li>• Determine standard operating procedures for 1) purchasing, 2) fishing practices and 3) product processing</li> </ul>
Bycatch (especially of turtles, sharks and untargeted species)	Bycatch results in unnecessary death for many of these populations.	<ul style="list-style-type: none"> <li>• Develop SOPs and BMPs for fisheries.</li> </ul>
Destructive fishing practices (using bombing and cyanide)	There is a lack of enforcement against these practices.	<ul style="list-style-type: none"> <li>• Work with local fisher groups to develop agreements with buyers for sustainable fisheries products. The project will also partially address this threat through the development of SOPs and BMPs for fisheries</li> </ul>
Destructive terrestrial activities	Charcoal and paper pulp production along with clearing for development are destroying mangrove	<ul style="list-style-type: none"> <li>• Provide financing for conservation measures and sustainable development activities.</li> <li>• Promote sustainable and “eco-friendly” tourism that conserves local habitat.</li> </ul>

Threat	Description/Notes	CFI Indonesia Activities to Address Threat
	habitat which is important for fish spawning and mud crab habitat. (Paper pulp from mangrove production is a small but projected to be growing threat in the region).	
Traditional harvesting of endangered species	Occurs especially with leatherback turtles.	<ul style="list-style-type: none"> <li>• Establish harvest control limits</li> <li>• Monitor populations.</li> <li>• Reduce legal traditional harvesting limits.</li> </ul>
Climate change impacts	Sea level rise could threaten mangrove area and increase risk of malaria and other insect borne diseases that may cause coastal residents to relocate.	<ul style="list-style-type: none"> <li>• Mangrove restoration activities will be located so as to reduce impact of localized flooding.</li> <li>• While there will be no activities to counteract malaria and other insect borne diseases, project staff will be attentive to any emerging trends and notify local health officials and adapt annual workplans accordingly.</li> </ul>

## 2.4 Project Strategies (GEF Project Components) and Expected Results

### 2.4.1 Project Components

After considerable analysis and consultation with a wide group of project stakeholders, a Theory of Change has been designed to accomplish the CFI Indonesia Child Project goal. This Theory identifies the need for a suite interacting and complimentary efforts to operationalize EAFM in Indonesia. A detailed schematic of this Theory of Change can be found in APPENDIX 4.

The CFI Indonesia Programme is based on the Conceptual Model and applies Components and activities to achieve EAFM. The project consists of the following four components:

**Component A:** Implementing Enabling Conditions for EAFM in FMA 715, 717 & 718. (Corresponds to Tier 1 of the CFI Theory of Change (Figure 6))

**Component B:** Implementing EAFM Tools to support EAFM in FMA 715, 717 and 718. (Corresponds to Tier 2 of the CFI Theory of Change (Figure 6)).

**Component C:** Sustainably Financing the Protection of Coastal Ecosystems and EAFM Activities in FMA 715 and 717. (Corresponds to Tier 1 of the CFI Theory of Change (Figure 6))>

**Component D:** Implementing Knowledge Management, Monitoring and Evaluation for Sustainable Coastal Fisheries in FMA 715, 717 and 718.

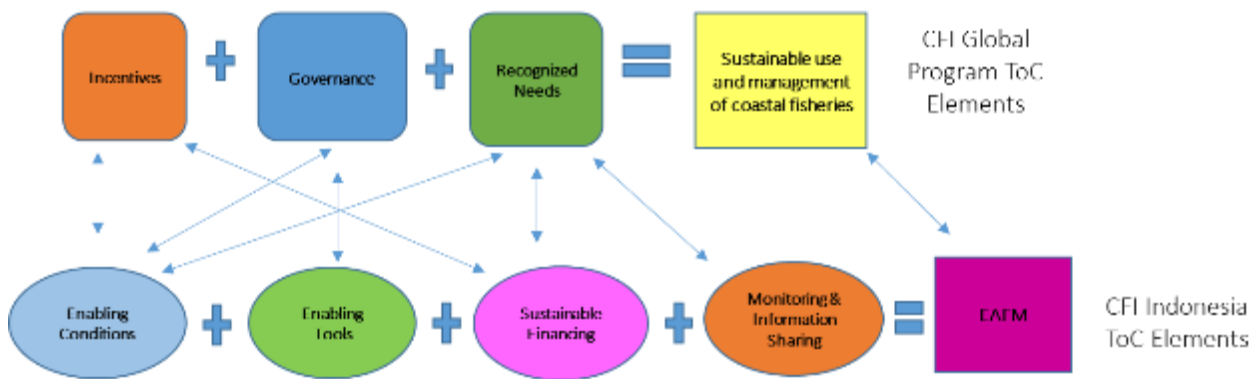
Figure 11: CFI Indonesia: A toolkit for the adoption and integration of EAFM.



The CFI Indonesia Child Project Theory of Change complements the CFI Global Programme Theory of Change which proffers that coastal fisheries can be effectively and sustainably managed when three conditions are met:

- Resource users have the right **incentives** to manage those resources and related ecosystems / habitats;
- Effective systems of **governance** are in place; and
- Governments, private sector and other actors **recognize the need** for holistic ecosystem based fisheries management based on environmental, social and economic sustainability. The complementarity between the two programs is illustrated in the figure below.

Figure 12: Complementarity between the CFI Global Programme and the CFI Indonesia Project.



The proposed CFI Indonesia Child Project seeks to improve coastal fisheries in Indonesian FMAs 715, 717 and 718 by delivering sustainable environmental, social and economic benefits and demonstrating effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance, and applicable sustainable financing models for biodiversity conservation especially in the BHS region. The Project will accomplish this objective through the implementation of four Components. FAO [Voluntary Guidelines for Securing Sustainable Small Scale Fisheries](#)<sup>12</sup> guiding principles such as gender equality and equity, respect of cultures, economic, social, and environmental sustainability, and transparency and Rule of Law have been used as a part of the project design, and these will continue to be reflected as a part of project implementation. There are Objectives and Outcomes associated with each Component and these are presented in the table below.

Figure 13: CFI Indonesia Project Components, Objectives and Outcomes.

CFI Indonesia Child Project Components			
<b>Component A:</b> Implementing Enabling Conditions for EAFM in FMA 715, 717 & 718.	<b>Component B:</b> Implementing EAFM Tools to support EAFM in FMA 715, 717 and 718.	<b>Component C:</b> Sustainably financing the protection of coastal ecosystems and EAFM activities in FMA 715 and 717.	<b>Component D:</b> Implementing knowledge management, monitoring and evaluation for sustainable coastal fisheries in FMA 715, 717 and 718.
Component Objectives			
Improved capacity and compliance of coastal fisheries stakeholders to EAFM policies	Select coastal fisheries improved using MPAs, FIPs, and BMPs as well as	Through the capitalization of the Blue Abadi Fund in West Papua Province (FMA 715	Platforms established for project monitoring, evaluation, reporting, and

<sup>12</sup> Small-scale fisheries - Web Site. International Guidelines on Securing Sustainable Small-Scale Fisheries [SSF Guidelines]. FAO Institutional Websites. In: *FAO Fisheries and Aquaculture Department* [online]. Rome. Updated 6 November 2015. [Cited 31 May 2016]. <http://www.fao.org/fishery/ssf/guidelines/en>



and regulations by applying relevant rights-based and collaborative management mechanisms and financial incentive schemes at specific sites within FMAs.	the application of EAFM principles at key locations in FMA 715, 717 & 718.	and 717), permanently support a network of local institutions working to protect coastal ecosystems, increase fisheries production, and enhance EAFM for the benefit of small-scale local fishers and their communities.	knowledge management promote data sharing, communication of lessons learned and adaptive management.
<b>Component Outcomes</b>			
<p><i>1. Enabling policy:</i> National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management (EAFM).</p> <p><i>2. Enabling awareness:</i> Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and province level managers.</p> <p><i>3. Enabling incentives:</i> Locally based financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.</p> <p><i>4. Enabling skills:</i> Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.</p>	<p>1. Improved planning and management of MPAs for cross-sectoral collaboration implemented as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.</p> <p>2. Small scale business sector investment increases in coastal fisheries management.</p> <p>3. Business sector invests and implements FIPs.</p>	<p>1. Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</p>	<p>1. Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.</p> <p>2. Existing and new data and information management systems established, maintained and updated so that information is secure and available.</p> <p>3. EAFM information for coastal fisheries management available and disseminated in the respective FMAs, the CFI Programme and other interested national/regional/global audiences.</p>

A more specific overview of the complementarity between the CFI Global Programme and the CFI Indonesia project is presented in the table below.

Figure 14: Relationship between CFI Global Programme and CFI Indonesia Theories of Change and Outcomes.

CFI Global Programme ToC Components	Related CFI Indonesia Child Project Component(s)	Related CFI Indonesia Outcomes (supporting the CFI Global Programme ToC)
<b>Resource users have the right incentives to manage those resources and related ecosystems / habitats.</b>	<b>Components A, B, C</b>	<p><b>Component A Outcome 2.</b> <i>Enabling awareness:</i> Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and province level managers.</p> <p><b>Component A Outcome 3.</b> <i>Enabling incentives:</i> Locally based financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.</p> <p><b>Component B Outcome 2.</b> Small scale business sector investment increases in coastal fisheries management.</p> <p><b>Component B Outcome 3.</b> Business sector invests and implements FIPs.</p>

CFI Global Programme ToC Components	Related CFI Indonesia Child Project Component(s)	Related CFI Indonesia Outcomes (supporting the CFI Global Programme ToC)
		<p><b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</p>
<p><b>Effective systems of governance are in place.</b></p>	<p><b>Components A, B, and D</b></p>	<p><b>Component A Outcome 1.</b> <i>Enabling policy:</i> National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management (EAFM).</p> <p><b>Component B Outcome 1.</b> Improved planning and management of MPAs for cross-sectoral collaboration implemented as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.</p> <p><b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</p>
<p><b>Governments, private sector and other actors recognize the need for holistic ecosystem based fisheries management based on environmental, social and economic sustainably.</b></p>	<p><b>Components A, B, and D</b></p>	<p><b>Component A Outcome 4.</b> <i>4. Enabling skills:</i> Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.</p> <p><b>Component B Outcome 2.</b> Small scale business sector investment increases in coastal fisheries management.</p> <p><b>Component B Outcome 3.</b> Business sector invests and implements FIPs.</p> <p><b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</p> <p><b>Component D Outcome 1.</b> Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.</p> <p><b>Component D: Outcome 2.</b> Existing and new data and information management systems established, maintained and updated so that information is secure and available.</p> <p><b>Component D Outcome 3.</b> EAFM information for coastal fisheries management available and disseminated in the respective FMAs, the CFI Programme and other interested national/regional/global audiences.</p>

**CFI Indonesia Child Project Component A (GEF: \$2,488,231; Cofinancing: \$14,938,585)** will focus on the implementation of EAFM policy and frameworks in the three FMAs with the objective: Improved capacity and compliance of coastal fisheries stakeholders to implement EAFM policies and regulations by applying relevant rights-based and collaborative management mechanisms and collaborative management schemes. Outcomes under Component A will focus on four key outputs to ensure the widespread understanding and adoption of

EAFM:

1. Developing and adapting national and local policy and institutional frameworks;
2. Supporting and developing harvest controls and co-management for fishers and province level managers;
3. Establishing locally based financial mechanisms to support coastal ecosystem conservation; and
4. Enhancing the capacity of fishers, fish workers, and provincial and district government agencies.

Under Outcome 1, national and local policy and institutional frameworks, including Fisheries Management Plans (FMPs) developed at the FMA level as a part of MMAF's overall EAFM implementation plan will be amended support the implementation of a holistic EAFM approach. Project activities will focus on supporting the establishment of Fisheries Management Authorities and the development of corresponding Fisheries Management Plans in the FMAs and the development of Rights Based Fisheries Management (RBFM) and customary rights elements. Information and updates on EAFM will be presented at annual MMAF sponsored meetings in the region and policy updates will be shared with other projects and entities operating in the region that support EAFM (SEA, ATSEA, COREMAP- CTI, and Cenderawasih Bay National Park (CBNP) to ensure consistent messaging, goals, coordination, and progress. The project will also ensure that local fisheries license and gear regulations and policies are harmonized with national policies to support EAFM as per FMPs and will coordinate this work with relevant planning and management agencies such as CBNP and provincial governments. Draft decrees for FMPs and governance will be developed in collaboration with and provincial governments based on experiences and lessons learned at the site level and adopted and implemented as a part of project activities. Note that FMPs must be formally approved by the National Government. This can take time and may not occur within the life of project. However, during the life of project, Provincial governments will implement elements of the FMP decrees. RBFM learning from the CFI West Africa project will be closely followed by the CFI Indonesia team.

Many fisher groups – at all economic levels - are reluctant to adopt harvest control mechanisms as a part of EAFM. Recognizing this, under Outcome 2, the project will work with stakeholders develop and implement EAFM plans. This work will include putting harvest control measures in place in pilot sites in each FMAs to demonstrate the benefits of these controls and co-management to fishers and province level managers. As a part of this work, the project will support the development of a white paper on management structure options for the three FMAs that describes legal options for the application of government harvest control policy and the collaborative management of coastal fisheries. Management effectiveness studies will be conducted at the provincial and district levels to analyze both the positive and negative effects of various management options on stakeholder groups. These studies will also address ways to mitigate the negative impact of any management option on any stakeholder group. EAFM pilot projects will demonstrate the benefits of collaborative rights-based management including harvest control and log-book monitoring for improved EAFM compliance, and a workshop will be held to share lessons learned and compile evidence of the benefits of this work. The project will follow CFI Latin America's work towards the implementation of a traceability system to determine the feasibility of instituting such a system within this CFI project.

Under Outcome 3, the project will establish community level financial mechanisms to promote coastal ecosystem conservation in FMA 715. (Blue Abadi (Component C will not be operating in this FMA, and it is important that this FMA have access to conservation financing). A feasibility study will be conducted to determine the potential of various financial mechanisms models. Trial mechanisms, such as Payment for Environmental Services (PES) models, will be developed based on the outcomes of the feasibility study and potential stakeholders for collaborative funding agreements between multiple levels of government, private sector, and resource users will be developed to fund coastal ecosystem conservation initiatives. Two pilot projects will be initiated and closely monitored to ensure compliance and benefits to stakeholders. Lessons learned will be shared for possible expansion into other locations in the three FMAs.

Component A will also focus on developing the capacity of fishers, fish workers, and provincial and district government agencies to effectively participate in the implementation of holistic EAFM approaches. A training

Programme will be adapted based on existing models and implemented for various coastal community stakeholders including women, community groups and government staff. As a part of the development of the training program, assessments will be conducted involving fishers, fish workers, fish industry and provincial and district government agencies. Modules will be developed for EAFM, BMPs, Good Handling Practices, and marine conservation competencies. Over the life of project, CFI will continue to build the capacity of local learning centers in each FMA as a platform for fisheries and marine management training for the various fisheries stakeholder groups.

The role of women is increasing in every aspect of fisheries across Indonesia. Recognizing this, the Project will seek and monitor women's "active participation" in all trainings. This "active participation" will be documented by training attendance sheets, training event photos, and in some cases, pre- and post- training tests that will be used to document the understanding of concepts. The project will also ensure that women's groups are recipients of project funding mechanisms.

As a part of this component, the project will reflect on lessons learned and successes (and failures) on the adoption of these EAFM components with the various stakeholder groups. This information will be processed and shared as a part of CFI Indonesia Child Project Component D. The project will look for lessons learned and experiences from the other CFI Child Projects to fine tune and adapt methodologies and strategies based on their experiences.

**CFI Indonesia Child Project Component B (GEF: \$ 2,448,745; Cofinancing: \$13,082,891)** will focus on the implementation of EAFM enabling tools in the three FMAs with the objective: Select coastal fisheries improved using BMPs, FIPs, MPAs and the application of EAFM principles at key locations. This component will include three Outcomes to support EAFM:

- 1) Improved planning and management of MPAs;
- 2) capacity building of harvest and postharvest stakeholders; and
- 3) the harmonization of fisheries purchasing, practices and processing operating procedures.

As a part of Outcome 1 under this Component and to ensure the integration and adoption of EAFM at all levels, the project will establish new MPAs and improve MPA planning and management to include EAFM components. This work will include a collaborative approach that includes ecosystem restoration and conservation strategies. Assessments will be carried out in select MPAs in each of the three FMAs that include critical habitat, and specific management activities will then be implemented to enhance fisheries productivity based on assessment results. The MMAF endorsed E-KKP3K MPA assessment tool and EAFM Fisheries Indicators will be used to monitor the MPAs over time. The project will also monitor whale shark populations and work with traditional groups to reduce allowable number of leatherback turtles hunted. The project will be attentive to the experiences and lessons learned of the CFI Latin America project and its work with MPAs.

As a part of Outcome 2, the project will develop the capacity and skills of harvest and postharvest small scale stakeholders (including women and traditional fisheries groups) and promote investment in coastal fisheries management, coastal ecosystem recovery, reductions in waste and post-harvest loss. Here, again, the project will ensure that women and other marginalized groups benefit from this investment. Experiences of both the CFI West Africa and Latin America projects and their experiences in integrating women into project activities will provide a useful resource to the CFI Indonesia project. The CFI Latin America project will also generate learning on mangrove (re)establishment that will inform CFI Indonesia activities while West Africa's experiences on improving conditions for post-harvest processors will be of great interest.

Under Outcome 3, the Project will work with larger sized fisheries stakeholder enterprises from within the project geography and neighboring Provinces to develop FIPs and Public Private Partnerships. Activities will include buyer agreements and organized business fairs to ensure that relevant fisheries purchasing, practices and

processing operating procedures are recognized and harmonized with national EAFM policies. The project will work with at least two companies per (purchasing, fishing practices, processing) sector to adopt standard operating procedures (SOPs) aligned with EAFM policies. The Project will identify seafood companies and conduct training assessments for postharvest stakeholders and conducting trainings on Seafood Ecolabel Certification and a training on Good Handling Practices. FIPs for two commercial coastal fishery species will be established in each FMA. Pre-assessments will be conducted for each selected fishery in each FMA and the FIPs will be implemented based on action plan recommendations. As a part of the FIP, waste and post-harvest losses will be reduced in at least five of the FIP fisheries through annual reviews that will identify feasible means for various fisher groups to minimize losses. Harvest control rules and co-management agreements defined in Component A will be incorporated into these FIPs. Using the Learning Centers as a venue, the Project will also focus on the development and dissemination of BMPs to improve and/or stabilize the business performance of coastal fisheries.

While the gathering of biological data to document project progress will be important, the project will also gather information and document sociological aspects of the project such as lessons learned in the MPAs, successful (and unsuccessful) strategies for the adoption of EAFM practices (BMPs and harvest control rules) among fishers, and involving women in fisheries conversations and work. This information will provide the basis for Component D activities. Meanwhile, the project will look for lessons learned and experiences from the other CFI Child Projects to fine tune and adapt methodologies and strategies based on their experiences.

**CFI Indonesia Child Project Component C (GEF: \$2,635,211; Cofinancing: \$8,461,750)** will focus on provision of sustainable financing for EAFM initiatives through the operationalization of the Blue Abadi Trust Fund in West Papua Province (FMA 715 and 717) with the objective of: Establishing a network of local institutions that are permanently financed to continue work to protect coastal ecosystems, recover local fisheries, and enhance EAFM for the benefit of small-scale local fishers and their communities.

Over the last 12 years, the Bird's Head Seascope Initiative has developed a critical foundation for EAFM across West Papua Province (FMA 717 and FMA 715), through the advancement of a network of 3.6 million hectares of MPAs as well as innovative community driven conservation and small-scale coastal fisheries initiatives. Component C focuses on securing the foundational work achieved through the Bird's Head Seascope to further advance EAFM in these FMAs, while also making it the first sustainably financed MPA network in Indonesia.

All project funding under Component C will be allocated towards the capitalization of the Blue Abadi Fund, a \$38 million conservation trust fund, for the Bird's Head Seascope (For more info on the financial model behind the fund see [Appendix 5](#); For more information on the governance of the fund see [Section 3.3](#) and [Appendix 5](#)). Through the capitalization of the Blue Abadi Fund, this project will achieve two primary outcomes.

First, the Blue Abadi Fund and the broader sustainable financing strategy for the Bird's Head Seascope in West Papua Province will provide reliable funding in perpetuity for a network of local institutions working towards conservation and fisheries management in West Papua Province, while generating important lessons learned on sustainable financing for marine resource management across Indonesia's FMAs and nationally. As Indonesia's first sustainably financed MPA network, the West Papua's MPA network will be a critical model nationally and globally.

Second, once operational, the Blue Abadi Fund will make annual funding disbursements to local Indonesian institutions in West Papua Province (in FMA 715 and 717) to support fisheries production through the direct protection of critical marine ecosystems and the advancement of local EAFM for small-scale coastal fisheries.

EAFM will be specifically advanced through four activities:

1. The Blue Abadi Fund will disburse funds to MPA management authorities to enforce fisheries management

regulations established throughout West Papua's 3.6 million hectare MPA network, including spatial fisheries management, traditional management practices (ex: *sasi*), gear restrictions, vessel restrictions, and species-specific regulations. Within this MPA network, 20-30 percent has been fully protected as no-take zones to support fisheries replenishment, with the remainder set aside for sustainable use by local fishers only;

2. The Blue Abadi Fund will disburse funds to local institutions to provide capacity development activities to at least 50 local fishers and government MPA and fisheries managers annually, including to indigenous communities and with a minimum of 25 percent representation and participation by women and members of indigenous communities respectively; and
3. The Blue Abadi Fund will disburse funds to local institutions to protect critical nesting beaches for endangered sea turtles and to support the protection of whale sharks.
4. The Blue Abadi Fund will disburse funds via a small grants facility to support at least 10 innovative sustainable fisheries and conservation pilot projects led by Papuan organizations each year, with particular consideration given to projects targeted at improving conservation efforts, fisheries management strategies and livelihoods of women and indigenous peoples.

The Blue Abadi Fund will prioritize the existing MPA network for funding, but any new MPAs established within Bird's Head Seascope would be eligible for funding, assuming that the existing MPA network is sufficiently funded. New MPAs outside of the Bird's Head Seascope, but instead of the CFI project area will not be eligible for funding. Projects funded by the small grants facility will need to take place within the Bird's Head Seascope to be eligible.

To promote learning, CI and the Bird's Head Seascope coalition will publish a comprehensive lessons learned report on the Bird's Head Seascope and in particular on the development of Blue Abadi, within one year of the fund's launch. The report and lessons contained therein will be distributed globally through available channels and presented at relevant international symposium as accepted. The Bird's Head Seascope coalition partners will further be available to deliver CFI organized webinars.

Internally, within the project, KEHATI will organize annual grantee workshops in which Blue Abadi sub-grantees will receive capacity development opportunities and exchange lessons. In addition, relevant Bird's Head Seascope staff and stakeholders will be invited to all learning events to be organized by the PMU under component D of the project.

In terms of monitoring, there will be three levels of M&E for Component C.

1. CFI Indonesia project monitoring: As executing agency, KEHATI will be responsible for monitoring progress against grant outcomes established in the project M&E framework to be reported to the GEF via CI and WWF as project implementing agencies. These outcomes focus on the establishment, capitalization, and operationalization of the Blue Abadi Fund.
2. Blue Abadi Fund performance monitoring: As the fund administrator and executing agency, KEHATI will be responsible for monitoring and reporting annually on the performance of each of the Blue Abadi Fund sub-grantees and on their collective progress against indicators outlined in the Blue Abadi 5-year strategic plan.
3. Ecological and social impact monitoring: The Blue Abadi Fund will provide an annual sub-grant to a local academic partner to continue robust ecological and social impact monitoring for the BHS MPA network and to produce an annual report on the state of the Seascope. The State University of Papua (UNIPA), has been selected as the preferred partner for this work and has been extensively trained by WWF-US in all relevant monitoring protocols, data management procedures, and required analysis.

Considering that the Blue Abadi fund is focused on ecosystem-wide protections to enhance multiple fisheries, rather than discreet interventions for target fisheries, FPAs are not applicable as a monitoring tool for this work and will thus not be applied in Blue Abadi funded sites.



Additional detail can be found in the Blue Abadi Governance, Financial Assumptions, Fundraising, Contingency and Monitoring Plan, [Appendix 5](#).

**CFI Indonesia Component D (GEF: \$2,125,943; Cofinancing: \$12,867,549)** will focus on improved knowledge management and monitoring and evaluation for sustainable coastal fisheries with the objective: Platforms established for project monitoring, evaluation, reporting, and knowledge management promote data sharing, communication of lessons learned and adaptive management. The project budget for component D will support the participation of relevant project staff and stakeholders working towards components A, B, and C as relevant to specific knowledge sharing and learning activities. The specific activities and budget will be determined annually by the Project Steering Committee.

This component will focus on three primary Outcomes:

- 1) The development of a functioning and maintained results-based publicly available EAFM performance monitoring system and network that will include the application of the FPA in at least one fishery;
- 2) The gathering, processing and sharing of biological and socially based information, learning, gaps and weaknesses for the application of all aspects of this EAFM focused project (including the Blue Abadi fund and its recipients) with national/regional entities and through national, regional and CFI Programme fisheries exchanges and relevant international audiences; and
- 3) The gathering, sharing (and receiving) and dissemination of information with stakeholders within the project area, within the broader CFI Programme and other national and international audiences.

Knowledge Management, Communications, and M&E are cornerstones of the CFI Programme and the CFI Indonesia project. To ensure regular and fluid interaction with the other Child Projects of the CFI Programme as well as with other regional and international networks, this component will be overseen by a staff person with excellent English reading, writing and speaking skills. Recognizing the importance of this Component, Project staff will participate in communications training exercises that will facilitate the gathering and documentation of this information from the field sites. The project will employ a wide variety of information sharing tools that will include but are not limited to participatory fora, including a project website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos to convey lessons learned. For all project components, listening, documentation and sharing of experiences from the project's diverse stakeholder group (men, women, business leaders, indigenous peoples, small and large scale fishers, post-harvest processors, etc) will be extracted through a variety of fora including community meetings, one on one interviews, participatory mapping exercises, trainings, etc. Importantly, learning will be two-way, as lessons learned from the CFI Global Programme and the other Child Projects and other relevant national, regional and international projects will help guide the development of the CFI Indonesia Child Project.

The project will contribute to various CFI Programme M&E and Communication tools – particularly as it relates to the implementation of financial mechanisms and gender integration into programming - and also access these tools as a means of informing project design and accelerating the adoption of EAFM in Indonesia. Annual cross visits to other CFI Child Project sites have been budgeted to ensure two-way learning across the CFI Global Program. The CFI Indonesia Project will also look to the CFI Global Partnership Child Project and IW:LEARN to establish mechanisms for two-way information sharing. More information on the Programme commitment – and the CFI Indonesia interaction with that is provided in [Section 2.9](#). The CFI Indonesia team has agreed to use the FPA on one fishery in Indonesia at this time. Further application of the tool may be agreed to once the FPA tool is finalized, circulated and compared to MMAF's EAFM monitoring tool and discussed with MMAF and stakeholders. To this end, FAO will be invited to the CFI Indonesia Inception Workshop to discuss the FPA. The meeting may include decisions to increase the number of fisheries monitored under the FPA, and any needed budget adjustments will be made.

The **EAFM performance monitoring system and network** in Outcome 1 will track project status and inform the governance and management of the CFI Indonesia Project sites. This outcome will include the application of the FPA in at least one fishery. Lessons learned, gaps and weaknesses will be identified for the participatory design and application of EAFM for various coastal fisheries in the three FMAs with the results be shared with relevant provincial, national and international audiences. Activities will also include regular monitoring of various stakeholder groups to track the participatory design and implementation of EAFM. Lessons learned will document experiences (both positive and negative) garnered during the implementation of the EAFM tools: enabling conditions (experiences from the development and implementation policy and regulatory frameworks); enabling tools (experiences and learning from the establishment, management and/or implementation of MPAs, FIPs, BMPs); and sustainable financing mechanisms (including the development and operationalization of the Blue Abadi Trust Fund and PES schemes). The Project will also provide opportunities for learning in other areas that are related to EAFM in themes such as but not limited to:

- Gender and EAFM;
- Rights based management;
- methods for reducing post-harvest losses;
- and other supplemental income generating activities that can offset pressure on local fisheries.

This learning will be mapped back to both the Project's and the CFI Programme's Theory of Change to ensure that strategies being implemented are yielding expected results. Fisheries data will be mapped to the Fisheries Performance Assessment (FPA), a broadly applicable and flexible tool that is being developed through GEF funding for assessing performance in individual fisheries, and for establishing cross-sectional links between enabling conditions, management strategies and triple bottom line outcomes<sup>13</sup>. Information will be shared through participatory fora designed to share lessons learned, gaps and weaknesses of participatory design and implementation with stakeholders and document project progress, advancement and barriers to EAFM.

Outcome 2 will focus on data and information management systems including baseline data for project learning on the EAFM related themes mentioned above. No later than three months after the confirmation of the precise Project activities and locations, a socio-economic survey to spell out the socio economic conditions of PAPs in each of the Project areas and to confirm the identify of vulnerable PAPs (including women, IPs and the poor) that would require livelihood restoration measures. The results of this survey will serve as the benchmark for subsequent safeguards monitoring activities. The project team will then develop a database of key variables across each of the three sites to be used as a basis for monitoring. The data management system for the project will incorporate existing baseline ecological and social data collected by the State University of Papua (UNIPA) for the project sites supported by Blue Abadi. As a sub-grantee of the Blue Abadi fund, UNIPA will be funded to continue this robust monitoring Programme during the life of the project and results from their annual assessments will be incorporated by Kehati into the project data management system. Needed socio-economic baseline data will also be gathered as a part of this Outcome. New monitoring systems will be established and these, along with existing MMAF data tracking systems, will be maintained and updated so that information is secure and publicly available. A coastal fisheries management data-sharing platform will be created allowing data to be shared among individuals, the private sector and public institutions. Importantly, data collection will allow various fisher groups to collect and share information on fish landings, fishing areas and prices. Project staff will collaborate with *Badan Pengembangan Sumber Daya Manusia* – MMAF's Human Resources Development Agency (BPSDM) extension officers at the District level to develop and implement standardized monitoring protocols that will include the documentation of women's participation in project activities. Meanwhile existing research programs will be strengthened to support the improvement of coastal fisheries across the three FMAs based on recommendations from the *Forum Koordinasi Pengelolaan dan Pemanfaatan Sumberdaya Perikanan* (Coordination Forum for Fisheries Management (FKPPS) meetings. A research needs assessment

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<sup>13</sup> Anderson JL, Anderson CM, Chu J, Meredith J, Asche F, Sylvia G, et al. (2015) The Fishery Performance Indicators: A Management Tool for Triple Bottom Line Outcomes. PLoS ONE 10(5): e0122809. doi:10.1371/journal.pone.0122809



will be conducted of various fisher groups in select sites to support the improvement of coastal fisheries in and additional research will be conducted to fill identified gaps.

Outcome 3 will focus on sharing information and lessons learned with interested groups within and beyond immediate project stakeholders. Information generated from project components A, B, and C on coastal fisheries management, EAFM, sustainable financing, as well as on cross cutting themes such as gender, community engagement, and working with indigenous cultures will be disseminated (and received) through a wide variety of CFI Programme and project communications tools. The enhancement and restructuring of the existing EAFM data portal ([www.eafm-indonesia.net](http://www.eafm-indonesia.net)) will ensure that project information is shared with government and other regional and international interest groups. Technical exchanges will be organized with other CFI Child Projects and information will also be shared and disseminated through IW:LEARN as well as with other relevant national, regional, and international networks. Information will be shared through a variety of mechanisms including a project website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos. The project will look for and solicit opportunities for two-way learning to improve project implementation and strategies.

As appropriate, the project will provide updates to the CFI website that may include publications, annual reports and midterm review documents. CFI Indonesia will also contribute to any Twitter, Facebook and other social media and participate in relevant global fora including annual CFI meetings, cross-visits, IWC biannual conferences and LME annual conferences. Activities will also include “Reflection exercises” that will review prior to each annual report whereby the Steering Committee will review the project theory of change (results chains), monitoring and evaluation plans, alignment between project components (including Blue Abadi), and tracking tools to determine effectiveness of strategies and needs for adaptively managing the project and redesigning workplans. Finally, and as a part of this component, the project will also contribute to Programme wide M&E efforts including the Biodiversity and International Waters Tracking Tools and the FPA.

While Component D focuses primarily on CFI Indonesia mechanisms for documenting and monitoring project progress and information exchange within the Project within Indonesia and within the CFI Global Program, the Project will actively seek opportunities to learn from other CFI Child Project experiences and will use these lessons learned to determine, guide, adapt and accelerate CFI Indonesia programming. Furthermore, CI, as the lead on all activities related to the Blue Abadi Fund, is fully committed to drawing out lessons from the development and implementation of the Blue Abadi Fund and sharing them with the other CFI program partners and beyond. With co-financing from other Blue Abadi Fund donors, CI will have the staff time covered to compile these lessons and participate in lesson exchanges. The CFI-Indonesia steering committee (on which both CI and WWF participate) will make decisions on the use of the funding in Component D designated for learning and knowledge exchanges and will prioritize funding from Component D for CI and/or KEHATI staff to participate in CFI learning exchanges as relevant.

Over the life of project, **\$485,357** in project funds and an additional **\$2,721,008** of cofinancing will be allocated to project management costs.

#### **2.4.2 Incremental Cost Reasoning**

The objective of the GEF CFI Indonesia Child Project is to contribute to coastal fisheries in FMAs 715, 717 and 718 delivering sustainable environmental, social and economic benefits and demonstrating effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. The Project’s suite of four components that include policy, tools, financing, and knowledge and monitoring are designed to address the full needs of EAFM implementation.

This project will be the first of its kind in Indonesia to engage the spectrum of stakeholders – communities, local,

regional, and national government, fisher associations, universities and industry – in the adoption of EAFM. This project will provide a complete suite of elements needed for the full integration of EAFM, namely: enabling conditions, applicable tools, sustainable financing and monitoring and knowledge sharing. Over time, this project will contribute to the sustainable development of Indonesia’s entire coastal region by delivering sustainable environmental, social and economic benefits and demonstrate effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. Over five years, the Project will build upon and expand existing M&E efforts to develop and share measures and lessons learned that will expedite the adoption of EAFM across other FMAs. At the same time, the CFI Indonesia project will look to the other CFI projects and use their experiences and learning to guide and accelerate the application of EAFM in these waters and across Indonesia FMAs. Over time, this project will contribute to the sustainable development of Indonesia’s entire coastal region by delivering sustainable environmental, social and economic benefits and demonstrate effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives.

Through the application of the suite of EAFM components, this Indonesia GEF Child Project will accelerate the implementation of EAFM in Indonesia by establishing pilot projects in FMAs 715, 717, and 718 and documenting lessons learned for replication across Indonesia’s FMAs. The Blue Abadi Fund for the Bird’s Head Seascape will not only help fund sustainable small-scale fisheries management and biodiversity conservation, but it will also be the first endowment dedicated to sustainable marine conservation initiatives in Indonesia and will serve as a model for fund design, fundraising, prioritization/alignment, and administrative/disbursement elements for other such funds in Indonesia and beyond. Building from previously successful models and through a selection of pilot projects, new partnerships will demonstrate how a more integrated, collaborative and ecosystem-based approach to coastal fisheries management can achieve faster and longer-lasting impact on the ground.

The CFI Indonesia project supports both the national and local governments with innovative strategies in their implementation of management plans for these FMAs. While other projects have addressed aspects of EAFM implementation, the CFI Indonesia is the first project to apply a comprehensive approach that addresses policy needs, tools (such as FIPs and MPAs), sustainable financing and knowledge sharing. The implementation of EAFM in the absence of this Child Project would be piecemeal and uncoordinated across marine conservation and fishing efforts.

The Indonesia government has demonstrated a commitment to EAFM. Thanks to the efforts of the government, NGOs and other stakeholders, there is a solid baseline for EAFM implementation in the country. However, given Indonesia’s vast marine geography and the various interests of the many stakeholders involved in the country’s marine resources, the application of EAFM has been slow. Without this project, the implementation and institutionalization of EAFM across Indonesia will continue to progress this slow pace. GEF funding through the CFI Child Project will provide much needed and additional resources to MMAF for the integrated application of EAFM components: policy frameworks, tools, financing and learning in Indonesia’s most biodiverse marine waters. While making a substantial contribution to the GEF’s GEB, the CFI Indonesia Child Project will provide a unique opportunity to institutionalize the full suite of EAFM components in three pilot sites; thereby providing the government and NGOs with opportunities to analyze, compare, and learn how to best ensure the adoption of EAFM by various stakeholder groups. Learning through this Indonesia Child Project will be shared across the Coastal Fisheries Initiative Global Program, the CFI Global Partnership (a CFI Child Project focusing on learning) and with IW:LEARN. These learning programs will allow for two way learning between and among the various CFI Child Projects as well as the analysis, comparison, and knowledge sharing that will be available stakeholders worldwide.

#### **2.4.3 Risk Analysis and Risk Management Measures**

During the project design process, several risks were identified that could impact the implementation of the project. These risks are both internal and external to the project. Mitigation measures have been developed to address the most likely risks. Throughout the course of the project, the project team will periodically access

emerging risks and develop mitigation strategies accordingly.

Figure 15: CFI Indonesia Risk Analysis.

RISK	RATING*	MITIGATION MEASURES	NOTES
FMP implementation is not harmonized across FMAs.	H	Project established fisheries management body will work with provinces to analyze and develop recommendations to best implement FMPs.	There may be a lack of support from FMPs from local provinces who want resources for implementation to be provided by the national government.
Conflicts between district and provincial fishing agencies due to the implementation of Fisheries Act 23 of 2014.	H	The project will implement mitigation measures identified through stakeholder consultations and workshops	This law will be implemented in October 2016 transferring management of natural resources from the District to Provincial government. The law will have substantial impacts on natural resources management in Indonesia.
A coral bleaching event occurs.	H	Scientific evidence indicates that bleaching may not impact fish populations.	An event could have a large impact in Wondama Bay. East Seram (FMA 715) and Southeast Maluku (FMA718) are more resilient.
There is no common agreement on a definition for Harvest Control Rules (HRC).	S	The project will: 1) bridge communication between MMAF and scientists; 2) work with industry to get their support for HRC; and 3) provide alternative/ supplemental livelihood options (eg., seaweed/salt farming) for impacted coastal communities.	
The seafood industry does not implement FIP/ (Aquaculture Improvement Project (AIP) guidelines.	S	Through existing programs (SeaFood Savers and Fish'nBlues, WWF ID will continue to urge buyers to ask producers to work towards MSC and seek sustainable seafood markets in Hong Kong and China.	Companies may not apply AIP/FIP guidelines as buyers aren't requiring better practices.
Inadequate funds raised for the Blue Abadi Fund	M	The Blue Abadi Fund is scheduled to be capitalized in a single closed deal in January 2017. If less than \$30 million has been committed, the deal close will be postponed until the target is reached and terms will be renegotiated with each Blue Abadi investor. A contingency plan will include —a) agree to a 1-year postponement of fund capitalization as additional funds are raised; or b) have Kehati issue grants with the GEF funds to the same local Papuan partners that would have been funded via Blue Abadi, thus directly funding the same activities for a two-year period.	
Blue Abadi Fund generates insufficient returns to cover	M	The Blue Abadi fund will be managed by professional and experienced investment managers who will work closely with stakeholders to establish investment guidelines	

RISK	RATING*	MITIGATION MEASURES	NOTES
annual MPA funding gaps		that take into account near-term and long-term needs, balance risk and security, and take advantage of a wide array of investment vehicles to hedge and otherwise minimize exposure to systemic and idiosyncratic risk.	
The project is delayed due to administrative issues.	M	Funds from other sources could be used for a short term.	The project is projected to begin in October 2016, but delays in startup could occur beyond the control of the CFI Indonesia Child Project team.
Difficulties in hiring/retaining qualified staff.	M	Existing qualified staff could be seconded to area until qualified staff can be hired.	It can be difficult to find qualified staff willing to work in remote sites where there are a lack of amenities and regular transportation.
A lack of demand for premium and sustainable fish in international markets.	M	The WWF network will continue to promote the purchase of sustainable seafood. This may result in premium prices in the long term.	There is usually a premium price for sustainable seafood during the Christmas, New Year's and Chinese New Year season that can subsidize the remainder of the year. There was no premium price during the 2015/2016 season.
Local communities refuse to work with project.	L	The project will work with communities to understand why they don't want to work with the project and adapt/address these concerns where possible.	
Indigenous communities refuse to work with the project.	L	The project will also ensure that traditional sustainable fishing, resource management and cultural practices of indigenous communities are integrated into project implementation strategies.	

\* H = High; S = Substantial; M = Moderate; L = Low

#### 2.4.4 Consistency with National Priorities or Plans

As mentioned previously, MMAF was established in 1998. In 2010, Indonesia, along with other Coral Triangle countries began considering EAFM as a framework for national fishery policy. As a part of the adoption of EAFM, at the Plenary Session of the UN Conference on Sustainable Development in Rio de Janeiro, 2012, the then President of the Republic of Indonesia, Susilo Bambang Yudhoyono, announced a marine conservation policy based on the principles of Blue Economy. These elements were included in a NPoA and the RPoA for the Coral Triangle. EAFM represents an integral part of a Blue Economy which promotes integrated ocean governance that strives to meet current demands without compromising the needs of future generations by balancing economic growth, social equity, and environmental protection. As the Indonesian government embraces EAFM, the government will need to ensure that current laws and regulations are in line with EAFM. A table outlining the most relevant laws and decrees for this project is included in Figure 14 below.

This project will also support and contribute to Indonesia's commitments to the Aichi Targets developed as a part of the National Biodiversity Strategy and Action Plan and as a part of the CBD. Indonesia's targets and the corresponding CFI Indonesia contributions to these targets are stated below:

- **To increase marine conservation areas from 4.7 million ha in 2003 to 10 million ha in 2010, and to 20 million ha in 2020.** (To date, 17 million hectares have been demarcated and 5.5 million hectares have been brought under management plans. The CFI Indonesia Child Project will help with the establishment of an additional 12,000 has (in Koon Neiden MPA) and provide improved management capacity and planning in approximately 3.6 million has).

- **To reduce and stop the rate of biodiversity degradation and extinction at national, regional and local levels within 2003-2020, along with rehabilitation and sustainable use efforts.** (The CFI Indonesia Child Project will assist with this goal by establishing harvest control limits, reducing mangrove destruction and maintaining populations of vulnerable and critically endangered species (whale sharks and leatherback turtles).

Finally, and with close coordination with the ATSEA2 project, the CFI Indonesia Child Project will contribute to the SAP that has been developed for Indonesia, Papua New Guinea and Timor Leste as a part of that project's evolution.

Figure 16: Relevant Indonesian Fisheries and Marine Regulations.

Indonesia Government Regulation	Implications for the Project
<b>Law No. 23 of 2014 Concerning Local Government</b>	This law will become vigilant in October 2016 and impact the governance of marine resources within 12 nautical miles (NM) of shore. Currently, District governments currently manage resources including marine areas from 0-4NM offshore. Under this new legislation, oversight will move to the Provincial level which will manage resources from 0-12NM of shore.
MMAF Decree No. 17 of 2008 regulates MPAs in coastal zones and small islands.	This decree establishes regulations for MPAs in Indonesia. Some MPAs in the project area are governed by this decree.
MMAF Decree No. 2 of 2009 sets protocols for MPA establishment.	This decree establishes protocols for MPAs established across the country, and some MPAs in the project area are governed by this decree.
MMAF Decree No. 30 of 2010 provides regulations for MPA Management Planning & Zoning.	This decree will impact any new MPAs developed within Indonesia.
MMAF Decree No. 2 of 2011 provides regulations for Fishing Zones, Placement of Fishing Gear and Auxiliary Fishing Gear in FMAs.	This decree will impact gear use within the FMAs. The project will need to ensure that these regulations are in line with EAFM.
MMAF Decree No. 29 of 2012 provides guidance for the development of FMPs.	This decree will guide the development of FMPs for the three project FMAs.
MMAF Decree No. 44 of 2012 outlines protocols for the development of MPA Management Effectiveness Document Guidance.	This decree sets standards for management effectiveness in MPAs.
MMAF Decree No.01 of 2013 mandates the presence of observers on fishing larger vessels.	While this decree will not impact the project directly, the presence of observers on larger fishing vessels is an important aspect of EAFM.
MMAF Decree No. 18 of 2014 addresses FMA regulation in Indonesia.	This decree will govern the three project FMAs and EAFM measures will need to be harmonized with this regulation.
Director General Capture Fisheries Decree No. 18 of 2014 provides technical guidance for EAFM indicator assessment.	This decree reflects MMAF's support for EAFM. The project will need to ensure that activities are in line with this guidance.
MMAF Decree No. 26 of 2014 provides regulations for FADs. ( <i>rumpon</i> )	FADs are often used by local communities as a tradeoff to reduce/prohibit fishing in other areas. The project will need to ensure that any FAD placement is in line with this legislation.
MMAF Decree No. 36 of 2014 provides guidance for migrating fish populations ( <i>andon penangkapan ikan</i> ).	The project will promote this decree with project stakeholders.
MMAF Decree No. 48 of 2014 addresses data to be documented in fishing log books.	The project will promote this decree with local governments and fisher groups and associations as a part of EAFM.
MMAF Decree No. 56 of 2014 and Decree 10 of 2015 dictates a fishing licence moratorium within Indonesia FMAs.	The project will promote this decree and help ensure that the regulation is enforced.
MMAF Decree No. 57 of 2014, prohibits transshipment at sea.	The project will promote this decree and help ensure that the regulation is enforced.

Indonesia Government Regulation	Implications for the Project
MMAF Decree No. 59 of 2014 prohibits export (but not necessarily capture) of oceanic whitetip shark and hammerhead sharks from Indonesian waters.	This decree seeks to protect populations of shark species while still allowing for local consumption and sale.
MMAF Decree No. 1 of 2015 outlaws capture of pregnant ("berried", or egg-carrying) lobster ( <i>Panulirus</i> spp, spiny lobsters), crab ( <i>Scylla</i> spp, crabs including mud crab), and blue swimming crab ( <i>Portunus pelagicus</i> ). It also establishes a minimum legal sizes for the three species as well as catch and release practices for pregnant and undersized lobsters and crabs.	This decree will help maintain populations of species that represent an important food source for coastal communities and national markets. Mud crabs are a target species for this project.
MMAF Decree No. 2 of 2015 prohibits trawls "pukat tarik" and seine nets "pukat hela" in Indonesia.	The project will communicate this decree and build capacity to enforce the regulations.
MMAF Decree No. 4 of 2015 prohibits fishing in breeding and spawning grounds within FMA 714 (the Banda Sea fishery management area, stretching from East Sulawesi to the Kei islands) though any licenses already issued for FMA 714 remain valid until they expire.	This decree impacts adjacent waters to the project area but not the project area per se.

## 2.5 Consistency with GEF Focal Area/Fund Strategies

The CFI Indonesia Child Project receives funding from both the GEF Biodiversity and the International Waters focal areas, and project strategies are designed to further the objectives of both. An explanation of the relationship and supporting roles the CFI Indonesia project plays is explained below:

The Biodiversity focal area includes four project objectives and the CFI Indonesia Child Project has been designed to support the Objective 3 supported by Programme 9: **mainstream conservation and sustainable use of biodiversity into production landscapes/seascapes and sectors**. The Project has been designed to work and coordinate with a wide and diverse array of stakeholders including the national government, local governments, artisanal fishers, commercial fishermen and fisher associations to promote and implement a full suite of EAFM activities including policy frameworks and regulations, tools including MPAs, FIPs, harvest control and new licensing agreements and BMPs for key fisheries and sustainable financing for conservation and sustainable fisheries initiatives.

Though the CFI Indonesia Child Project is contained within the country's national waters, the project is part of the larger predominately funded GEF IW CFI Programme and will contribute significantly towards global fisheries recovery. Additionally, two of the FMAs (717 and 718) in the project geography adjoin international waters and Indonesian waters play a significant economic role in regional and global commercial fisheries. Under the IW Focal area, the CFI Indonesia Child Project aligns with IW Objective 3, Programme 7, aiming to:

- 1) **Catalyse sustainable management of transboundary water systems by supporting multi-state cooperation through foundational capacity building, targeted research, and portfolio learning;** Monitoring, Learning and Knowledge Sharing represent a cornerstone of the project and Component D focuses on that work. The project will develop materials and mechanisms (website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos) to facilitate information exchange within the CFI Indonesia sites, within Indonesia, among the CFI Child Projects and with other regional and international networks. All materials developed will be aligned with IW Learn principles and the CFI Global Partnership Project. Annual exchanges will be organized among the CFI Child Project to further facilitate learning and information exchange among and between the CFI Child Projects. Lessons learned from the other Child Projects will help shape CFI Indonesia strategies and planning.



- 2) **Enhance multi-state cooperation and catalyze investments to foster sustainable fisheries, restore and protect coastal habitats, and reduce pollution of coasts and LMEs:** As a part of its implementation strategy and as noted in Section 1.4.4, the project will liaise with a number of projects and entities operating in Indonesia and in the broader Asia Pacific region including ATSEA 2, COREMAP- CTI, the CTI-CFF, USAID SEA project, RARE and the Meloy Fund, and support the other five Coral Triangle countries in their implementation of EAFM by sharing lessons learned. There will also be considerable two-way learning and information exchange with the other CFI Child Projects, the CFI Global Programme in general and IW-LEARN.

## 2.6 CI Comparative Advantage and Consistency with CI Programs

Founded in 1987, Conservation International (CI) works around the globe to protect nature. CI uses science, policy and partnerships to safeguard the forests, rivers, lakes, coasts, oceans and wetlands that provide food and water, sustain economies and help promote a stable climate. CI's world-class scientists produce groundbreaking research and data that help governments, international institutions and companies respond to threats, spot risks and opportunities, and set sustainability standards. CI provides the data and tools that governments need to better understand the value of their natural resources—and CI works together to establish policies, laws and enforcement practices that protect them. CI then partners with industry leaders, civil society groups and governments to scale up and multiply our efforts. CI works on the ground in 26 countries and connect local communities to funding, training and technology. Nearly a third of CI's funds go directly to local organizations that are generating solutions from the ground up.

CI has operated in Indonesia since 1992 under a Memorandum of Understanding with Indonesia's Directorate General of Forestry. Today CI-Indonesia is one of CI's largest field programs. Conservation International (CI) has led the Bird's Head Seascape coalition in West Papua since the program's inception in 2004, serving as a backbone organization responsible for maintaining a comprehensive vision and workplan for the entire seascape. While CI's geographic focus with the Bird's Head includes northern Raja Ampat and Kaimana (FMA 715), it also works across the Seascape maintaining the Seascape Secretariat and leading capacity development and provincial policy initiatives. This is consistent with CI's Seascape approach which aims to build coalitions among governments, corporations, and civil society to improve ocean governance. It highlights the importance of achieving effective governance across sectors and at all levels, from local to regional.

CI's Global Conservation Fund (GCF), which is designing the Blue Abadi Fund under this project, has a long history establishing successful endowments and trust funds that ensure protected areas have sustained, long-term funding. Since 2001, the GCF has supported the protection of more than 80 million hectares (197 million acres) around the world, invested US\$ 66 million and generated more than \$1 million in wages for local economies.

## 2.7 WWF Comparative Advantage and Consistency with WWF Programs

For over 50 years, the mission of the WWF network has been to save life on Earth. Using the best available scientific knowledge and advancing that knowledge, WWF works worldwide to preserve species and ecosystem diversity, address the environmental threats that put all living things in harm's way, and create opportunities for citizen action. Distinguished among conservation organizations by a combination of local presence and global reach, WWF seeks to build local capacity for conservation and has undertaken over 13,100 projects in 157 countries throughout our history. Around the world, WWF collaborates with resident scientists, agencies, governments, and NGOs in regions in need of conservation attention to examine root causes of environmental crises, analyzing closely the social, scientific, and economic dimensions of each issue.

WWF US has worked in the Coral Triangle region with specific support to Indonesia through many projects over the years including Sulu Sulawesi, the USAID funded Coral Triangle Support Partnership (CTSP) and Marine Protected Areas Governance (MPAG) projects, among others. As the world's largest and most experienced conservation organization, WWF has 4.7 million members worldwide—with 1.2 million in the US alone. Based in Washington, DC, WWF-US is the largest member of a global network of 25 independent national organizations,

whose efforts are complemented by the activities and expertise of 22 Programme and field offices.

The WWF network is committed to and has extensive experience in working with partners and other grantees through the issuance of sub awards to accomplish Programme results. In addition, WWF US has demonstrated that it has the financial resources and operational experience to manage government donor agreements. To date, WWF US has received more than 400 awards and sub awards funded by the US Government totaling over \$430 million. In WWF US's history, there have been no findings of material noncompliance noted in its annual A-133 audits, or in the annual financial audits conducted prior to being subject to OMB Circular A-133.

## **2.8 Innovativeness, Sustainability, Resiliency, and Cost-Effectiveness**

### **Innovativeness**

This CFI Indonesia Child Project is one of the first to foster multi-stakeholder collaboration and innovative incentives for the implementation of the fisheries management plans for these geographies. New partnerships and incentives will be created that demonstrate the value of integrated ecosystem-based fisheries management. Progress on these new approaches will be immediately relevant for improved coastal fisheries in other parts of Indonesia and the project strives to create policy and legislation that will ensure sustainability of the investments. Furthermore, while many countries have adopted EAFM as a management approach, there is not widespread implementation of the tools and mechanisms on the ground. The CFI Indonesia Child Project will provide one of the first examples of the actual application of EAFM in the Coral Triangle. The methodology and mechanisms developed will serve as models for the region and for other fishery nations around the world. At the same time, the project will seek to share with and learn from other EAFM models being implemented within the broader CFI Programme and within other projects and networks.

### **Sustainability**

Across the globe, EAFM is being recognized by fisheries nations as a practical and necessary tool to ensure the sustainability of the fishing sector overtime. EAFM by its definition takes a holistic approach to fisheries, recognizing the vital role that the entire marine ecosystem plays in maintaining any given fishery. Indonesia lacks some of the basic knowledge needed to effectively implement EAFM, including the status of fish stocks. The project's focus on FIP establishment and MPA management will help ensure sustainable levels of fish stocks for years to come. Within the CFI Indonesia Child Project, the sustainability of project activities post project will be assured through a variety of mechanisms that include:

- Project capacity building will ensure that EAFM skills and tools are shared among a wide array of stakeholders that includes local government representatives, artisanal and commercial fishers, post-harvest processors, etc.
- An improved regulatory framework and law enforcement capacity in support of EAFM will perpetuate beyond the life of project and help ensure sustainability.
- Project established data sharing and communication channels will help promote project results and learning and help perpetuate project activities beyond the life of project.
- Finally, the 5-year duration of the Project will allow time for the institutionalization of EAFM principles within local government mechanisms. Furthermore, experience in Indonesia shows that fishers can begin to see an increase in fish stocks within 3 years when no take zones are established in critical spawning areas and a suite of EAFM tools (MPAs, FIPs, BMPs) is applied which will also help ensure the sustainability of project efforts.

In addition, the project's investment in the sustainable financing of West Papua's MPA network, within FMA 715 and 717, its work to pilot new multi-sector funding agreements will provide a critical model for sustainable financing of MPA networks and coastal management for Indonesia and the region. With current government investments limited, these innovative funding arrangements will be vital to secure sufficient resources for effective coastal fisheries management across the country.

In particular, Blue Abadi at its core is about advancing the sustainability of biodiversity conservation and fisheries management activities in Indonesia. The fund itself, as an endowment, is designed to provide sustainable financing in perpetuity for conservation and EAFM activities in West Papua. It will leverage approximately \$5.3 million annually in locally-generated revenue sources, including over \$3 million annually in government budget allocations, \$1.4 million annually in tourism fee revenues, and local match funding provided by partners.

Equally important to the fund, however, are the models of institutional capacity development that have been employed over the last 12 years in West Papua to design, build, and empower local institutions, governmental and non-governmental, so that they can effectively manage their marine resources sustainably and largely independent of external support. The Blue Abadi Fund, which will provide financing to these institutions, is the culmination of 12 years of planned investment to reach sustainability in the seascape. The capacity development and financing models advanced through Blue Abadi will not only secure the long-term sustainability of West Papua's conservation and EAFM initiatives, but they will also serve as a model for other regions in Indonesia and beyond that are seeking a pathway towards locally-led, effective, and sustainably-financed marine resource management at scale.

### **Resiliency**

As in all world coastal areas, the impacts of climate change represent very real threats to coastal communities and fisheries. These potential impacts include sea level rise, short or long term coral bleaching, increased incidence of insect borne diseases such as malaria and dengue, and coastal flooding due to an increased frequency in and force of storms. While the causes of climate change are beyond the scope of the CFI Indonesia Project and the CFI Global Program, there are actions that coastal communities can take to mitigate the impacts of climate change and help ensure resiliency. To that end, the CFI Indonesia Project will include capacity building for climate change impacts and coastal planning that focus on the importance of mangrove protection and/or restoration and the importance of identifying and protecting spawning grounds.

All three CFI Child Project geographies are coping with the impacts of climate change and searching for resiliency strategies. Given this, the CFI Global Partnership Child Project and IW:LEARN as well as annual cross visits among CFI Child Projects will provide important venues and opportunities for information sharing about resiliency strategies in coastal communities.

### **Cost-Effectiveness**

There is a large potential to scale up this project, as a great deal of international attention is currently placed on Indonesia's solid investments in capacity for marine and fisheries governance, and the openness for collaborative management approaches. Project Component C, the financing of the Blue Abadi Fund, is highly cost-effective. Detailed cost-modelling of all seascape partners has calculated average costs of approximately \$2.00/ha of MPA, which is an order of magnitude more efficient than the average cost of \$26.98/ha for MPA globally.<sup>14</sup> Meanwhile, governments in the region and the world have acknowledged Indonesia's adoption and subsequent leadership in driving a blue economy approach to sustainable development in coastal areas. Several US foundations have reviewed their strategies for coastal management and coastal fisheries reform and are aligning their support behind Indonesia's sustainable coastal fisheries aspirations. Furthermore, as all Coral Triangle countries have agreed to adopt EAFM as their fisheries management framework, the CFI Indonesia project provides a theatre for the implementation of EAFM principles and associated learning that will benefit other countries as they implement EAFM.

Looking ahead, international conventions such as the UN Post-2015 framework for Sustainable Development,

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<sup>14</sup> Balmford, A., P. Gravestock, N. Hockley, C. McClean, C. Roberts. "The worldwide costs of marine protected areas." Proceedings of the National Academy of Sciences of the United States of America. 101. 26. (2004): 9694-9697

The Convention of Biological Diversity and international collaborative platforms such as the Global Partnership for Oceans, the CTI-CFF and the more recently initiated voluntary collaboration for Blue Economy and Blue Growth, provide current opportunities for Indonesia to convert the hard work of MMAF of the past years into major advances for its national goals and at the same time contribute to globally significant targets.

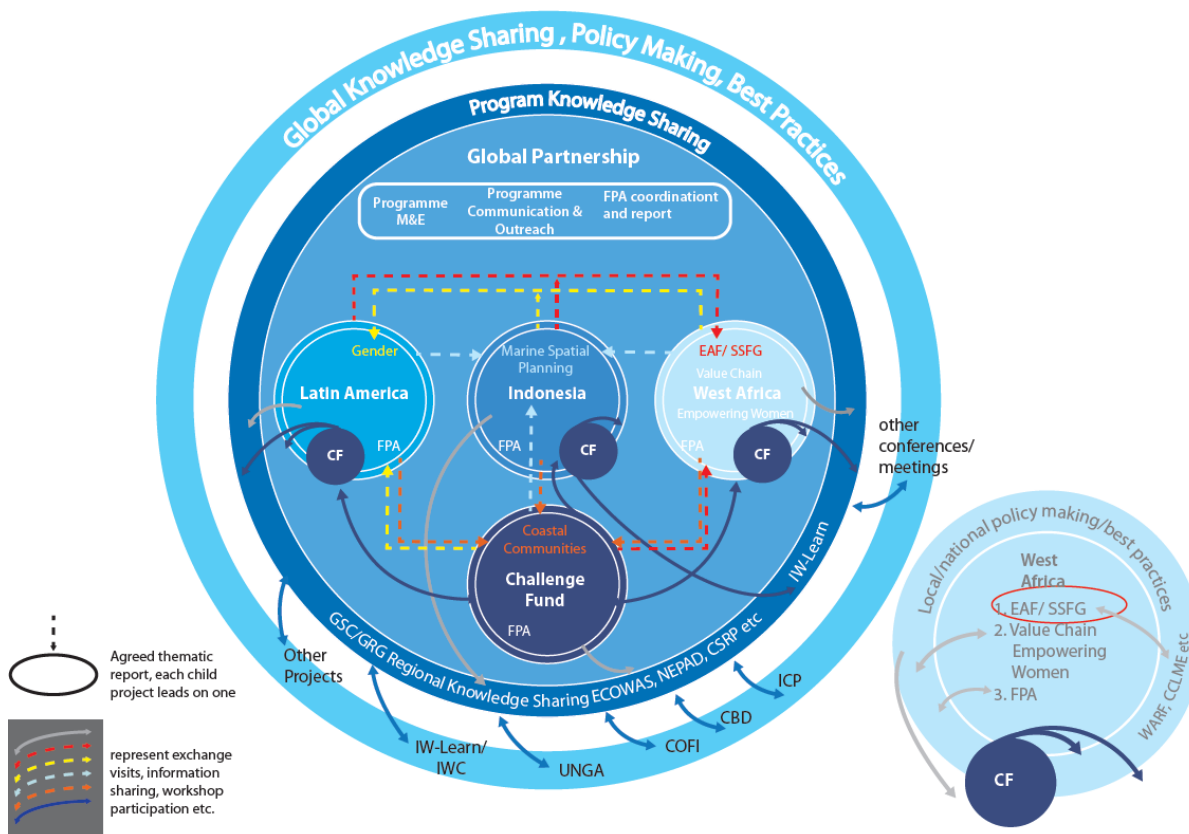
As noted in Section 1.4.4, there are several Projects working on the application of EAFM elements in other areas within the Project FMAs and in other FMAs in and around Indonesia. Meanwhile, there are other projects implementing EAFM elements within the Asia-Pacific region and worldwide. As the early CFI Indonesia project lessons and successes will be immediately relevant for sharing and scaling up, the impact of this project through these platforms, the magnification, and thereby the cost-effectiveness of the CFI Indonesia project can be very significant.

## 2.9 Knowledge Management and Communication

Knowledge management, communications (including Knowledge Sharing (KS)) and M&E are essential project and Programme components that together, will facilitate learning, accelerate the application and adoption of sustainable fisheries practices among a wide and diverse stakeholder base. This work represents a cornerstone of the CFI Programme that is depicted in the figure below.

**Knowledge management** refers to the gathering, synthesis, and sharing of information and (two-way) learning generated by the project. **M&E** is a part of knowledge management. **Communication** refers to the tools (listservs, exchanges, twitter feeds, etc) that are used to share this information.

Figure 17: Knowledge Management, Communications and M&E are a cornerstone of the CFI Programme.



Within the CFI Indonesia project, these tools will be used to build commitment and raise awareness among relevant local and national stakeholders about the full suite of EAFM in Indonesia. While learning and knowledge sharing will focus on project components: enabling conditions (policy and regulatory frameworks); enabling tools (MPAs, FIPs, BMPs); and sustainable financing mechanisms (trust funds and PES schemes) the Project will also provide opportunities for learning in other areas that are related to EAFM in themes such as but not limited to:

- Gender and EAFM;
- Rights based management;
- Sustainable financing;
- methods for reducing post-harvest losses;
- and other supplemental income generating activities that can offset pressure on local fisheries.

Target audiences for these activities will be tailored to three geographic groups:

- 1) stakeholders located within the project areas;
- 2) stakeholders located in other coastal areas in Indonesia; and
- 3) interested parties outside of Indonesia who stand to learn from the project including the other two CFI regions i.e. West Africa and Latin America as well as regional and international networks.

The project will ensure that the appropriate mechanisms are used so that information can be received among and between interested parties. The CFI Indonesia Child Project will develop a wide variety of communication tools to ensure that information about the project (generated from project components A, B, and C) – its successes and failures – are shared. Tools to be developed include but are not limited to participatory fora, a project website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos to convey lessons learned. As mentioned, annual cross visits to other CFI Child Project sites have been budgeted to ensure two-way learning across the CFI Global Program. This will include participation of project staff across project components A, B, and C as relevant. Tools to be developed include but are not limited to participatory fora, a project website, social media, webinars, e-bulletins and list-serves to convey lessons learned. As mentioned, annual cross visits to other CFI Child Project sites have been budgeted to ensure two-way learning across the CFI Global Program. The CFI Indonesia Child Project will also look to the CFI Global Partnership Child Project and IW:LEARN to establish mechanisms for information sharing as well as to relevant national, regional and international networks.. All external communication efforts will be developed in accordance with the GEF IW:LEARN and their [WebSite Toolkit](#) and [Web Guidelines](#). The project will also ensure that communication materials are developed, branded and shared according to guidelines that will be established under the Knowledge Sharing Child Project of the broader CFI Programme. The project will seek and solicit opportunities for two-way learning within the CFI program and other relevant networks to improve project implantation and strategies. As noted previously, CI, as the lead on the Blue Abadi Fund is fully committed to drawing out lessons from the development and implementation of the Blue Abadi Fund and sharing them with the other CFI program partners and beyond.

Internally to the project, customized communication materials will be published for specific subgroups under each geographic category as appropriate with a focus on messaging materials designed for:

- fishers, including local communities and women;
- local governments;
- MMAF representatives at the national and regional level;
- seafood and tourism industry representatives;
- learning institutions and NGOs; and
- International NGOs and multi/bilateral institutions.

Communications materials will be designed using a gender lens ensuring information is available and easily understood by both women and men.

### **Knowledge Management**

Learning is a key element of the overall CFI Programme and to that end, knowledge sharing and the dissemination of lessons learned generated from project components A, B, and C will be critical to this project. The CFI Indonesia Project will also look to the CFI Global Partnership Child Project and IW:LEARN to establish mechanisms for information sharing as well as to relevant national, regional, and international networks. The project will look for and solicit opportunities for two-way learning that will help guide its implementation strategies.

Using the Semi Annual Project Progress Reports (PPR) and FPA as tools for gathering project advancements, information will be shared:

- **Internally within the project:** As the project is implemented, information on project activities and progress will be shared monthly among the team members as well as through cross visits and meetings. Communication tools to be used include “Reflection Exercises” that will be held annually and as a part of workplan development to review and document project progress per the Theory of Change of both the CFI Indonesia Child Project as well as the CFI Global Programme to ensure alignment and make any adaptive management adjustments as needed.
- **Within Indonesia:** Information will be shared quarterly with other stakeholders and within MMAF and CI and to keep all parties apprised of project developments and to facilitate and expedite the implementation of EAFM across the country. Communications tools to be employed include participatory fora about the project that will be organized in the project area and in Jakarta to discuss project advances. Updates on the project will also be available through a project website, social media, webinars, e-bulletins and list-serves that will convey lessons learned from local stakeholders and other CFI projects. Both the project website and quarterly e-bulletins will be published in Bahasa Indonesia and English to ensure that project information is available to a wide audience.
- **Outside of Indonesia:** Information on best practices and two-way learning will be disseminated to national and international stakeholders including to the two other CFI geographic regions mentioned above through the CFI Global Partnership Child Project (one of the five CFI Child Projects which will include annual meetings and cross visits) and through IW:LEARN. Information on project progress and lessons learned will also be available through a project website and e-bulletins as well as other outreach mechanisms mentioned above. MMAF will also actively seek opportunities to share information with relevant regional and international networks. At the same time, information on best practices and learning generated from the other CFI Child Projects will help guide the evolution of the CFI Indonesia project.

### **Communication Activities**

Communication activities will help ensure that the project objective and outcomes are achieved. As such, the CFI Indonesia communication strategy will seek to:

- enhance the understanding and awareness of key stakeholders regarding the implementation of EAFM, including policy, MPAs, FIPs, BMPs, sustainable financing, gender mainstreaming, etc, in the three project sites;
- provide knowledge and influence attitudes and behavior of targeted audiences to encourage individuals promote and adopt EAFM practices;
- strengthen the voices of local and indigenous communities in the sustainable management of their marine resources;
- promote two-way learning;
- facilitate the engagement of key stakeholders and government representatives in decision making processes to promote EAFM; and
- document and share project successes, lessons learned and best practices with wider audiences located in Indonesia and in other countries.



Communication activities will be implemented throughout the duration of the project. As mentioned, communication products will include publication and dissemination of outreach materials, such as a quarterly e-bulletin and thematic brochures to provide information on the project, areas of work, and core components. Primary audiences, namely rural communities with lack of access to digital technology, may be most responsive to traditional mass media including television, radio, and print, while secondary audiences may be reached effectively via online media platforms including list-serves, meetings, CFI Annual Workshops, and webinars which will ensure and promote two-way learning. The CFI Indonesia team will provide regular electronic updates highlighting progress on project activities and to document achievements, stories, and lessons learned. Other outreach tools such as announcements, invitations, agendas and reports of discussion fora, and community interaction programs, as well as maps, work plans, data analyses, reports, training materials and project documents will also be produced to promote the project and its progress. The project will also develop and disseminate communication materials such as fact sheets, videos and other publications. All communications activities will be designed and implemented taking into account gender and diversity perspectives ensuring project information is delivered clearly and appropriately for both men and women, as well as members of indigenous groups. The CFI Indonesia Project will also look to the CFI Global Partnership Child Project and IW:LEARN to establish mechanisms for information sharing. Finally, the CFI Indonesia Child Project will work through the CFI Global Programme and the CFI Global Partnership Child Project to help determine the best mechanisms that will allow for the CFI Indonesia Project to learn from and share information with the other CFI Child Projects as well as with other regional and international networks.

In terms of contractual communications, the PMU will provide quarterly PPRs as required by the WWF GEF Agency. In accordance with GEF standards, the project will also undergo a midterm and final evaluation, and in accordance with the Communication and Visibility Policy of the GEF, all contractual agreements will include a clear reference to the GEF on the cover page. In addition, the GEF logo will be applied in all outreach materials. Documents and publications related to the project will contain the GEF logo, and the cover page will have the phrase: “This project/Programme is funded by the Global Environment Facility”. All material produced in paper form will be made available in electronic form, and a link to the GEF website will be included in website content related to the GEF- funded project/activity.

The PMU will work with CI and the WWF GEF Agency to develop a joint press release with GEF at the start and completion of the project. Any press conferences regarding the project will be organized in cooperation with the GEF Secretariat. Visits by government officials to project areas will be prepared in coordination with the Country Relations Officer of the GEF Secretariat and the GEF Focal Point for Indonesia.

## **SECTION 3: INSTITUTIONAL FRAMEWORK & IMPLEMENTATION ARRANGEMENTS**

### **3.1 Project Implementation and Execution Framework**

Under the leadership of Ibu Susi Pudjiastuti, there are 11 divisions under MMAF. The CFI Indonesia Child Project falls under the Directorate General of Capture Fisheries, and within that structure, under the Directorate of Fisheries Resources Management. Implementation of the project will be coordinated among five MMAF Directorate Generals, namely, Marine and Fisheries Human Resources Development, Strengthening Marine and Fisheries Products Competitiveness, Marine Spatial Planning, Marine and Fisheries Research and Development, Surveillance for Marine and Fisheries Resources.

The project will be co-implemented by World Wildlife Fund and Conservation International, both GEF Partner Agencies. World Wildlife Fund, Inc., as the lead GEF Implementing Agency, will oversee overall monitoring of the project implementation and achievement of project outcomes as declared in the project documentation and within the indicated timeframes. CI’s role as an Implementing Agency will focus on Project Component C—the

development and oversight of the Blue Abadi Fund for the Bird's Head Seascape (see more information on the execution of the fund in [Section 3.3](#) and Appendices [5](#) and [6](#)).

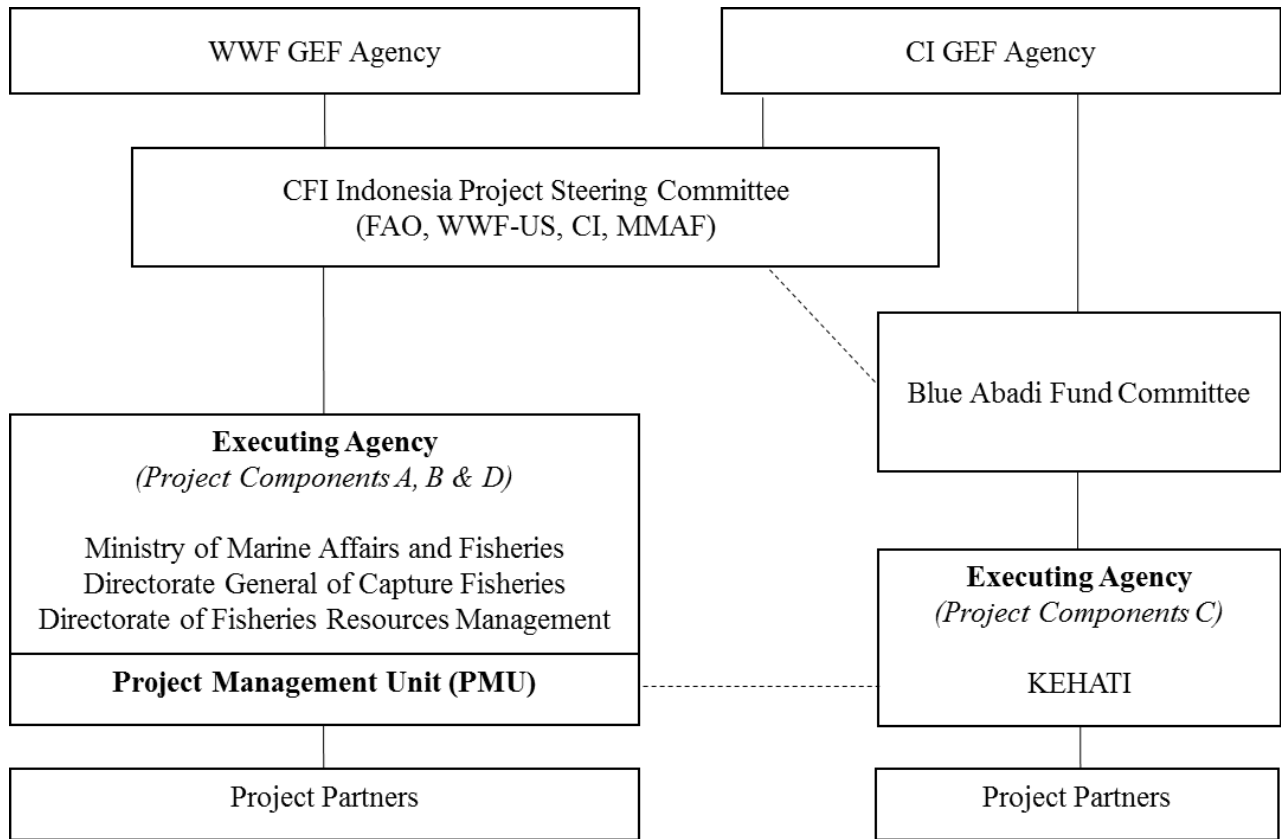
The overall project institutional framework includes a Project Steering Committee (PSC), an Executing Agency (EA), the Blue Abadi Fund Committee, a Project Management Unit (PMU) and project partners. The roles of each element are briefly described in the below diagram as well as in [APPENDIX 10: Organizational Charts](#). The GEF Project Agencies and project lead executing partners will enter into respective executing agreements, in which the functions and responsibilities of both organizations will be outlined, including reporting procedures, legal accountability, financial reporting of GEF funds expenses, and other issues.

The CFI Indonesia **Project Steering Committee (PSC)** will provide overall direction and supervision to the project Executing Agency (EA). The PSC oversees MMAF as the lead GEF executing agency for overall delivery according to the WWF GEF ProDoc and takes necessary decisions based on MMAF documentation provided in advance of PSC meetings, including annual work plans and budgets. The PSC approves project reporting before submission to the GEF Implementing Agency. The PSC is composed of the WWF GEF Agency, CI, and MMAF Directors from relevant Directorates. In addition to the Project Steering Committee, a **Blue Abadi Fund Committee** will provide specific governance oversight to the Blue Abadi Fund. A Chair will be elected annually to lead this committee and will serve as a member of the Project Steering Committee. The exact composition of this committee will be determined once the Fund is funded. The Chair of the Blue Abadi Fund Committee will also serve as a member of the PSC.

The primary executing partners (also referred to as the lead **Executing Agency (EA)**) for the project is the Directorate of Fisheries Resources Management under the Directorate General of Capture Fisheries within MMAF. The Indonesian Biodiversity Foundation (KEHATI) will serve as the **Executing Agency (EA)** for component C of the project. The project will be overseen by MMAF which will nominate the Deputy Director Directorate General of Capture Fisheries as the Project Director of the **Project Management Unit (PMU)** under EA supervision. The PMU will include experts in sustainable fisheries, project management, and administration. Through the EA, the PMU will receive, disburse and account for core project funding. The EA will delegate authority to the PMU for day-to-day execution, planning and budgeting, procurement, issue and monitor sub-agreements to project partners, disbursement, monitoring, reporting. The PMU will coordinate on project implementation with Site Technical Committee at Fisheries Management Areas level regrouping fisheries management institutions and all necessary stakeholders -Learning Center Staff (Universities) Provincial and District governments, Private sector and Community/Indigenous Groups; As requested, WWF Indonesia systems and administrative support will be made available to the PMU to ensure strong project management.

As the executing agency for Component C of the project, KEHATI, will be responsible for coordinating directly with the PMU to ensure communication and alignment. CI Indonesia will additionally have a part time employee based in Indonesia who will facilitate communication between KEHATI and the PMU and ensure that learning from component C of the project gets integrated in the knowledge management systems implemented by the PMU for the full project. This coordination will be especially important in those project sites where both Blue Abadi and the other project components are being implemented, namely East Seram (FMA 715) and Wondama Bay (FMA 717).

*Figure 18: CFI Indonesia Organizational Structure.*



### Funds Flow Arrangements

1. World Wildlife Fund, Inc. (WWF US) will channel funds directly to a Trust Account established by the primary Executing Agency (MMAF) from which GEF grant disbursements to the PMU will occur for all costs associated with CFI Indonesia Components A, B, and D and project management cost. The Trust Account will be established, managed, replenished, and liquidated in accordance with WWF US Policy and Procedures in compliance with GEF minimum standards. WWF US will advance to the Trust Account up to 6 months estimated expenditure for day-to-day project execution. Funds replenishment to the Trust Account will be based on requests from MMAF based on quarterly cash flow analysis as presented by the PMU under MMAD oversight. The schematic fund flow for Project funds is shown below and in Appendix 14.

GEF funds for Component C will flow from CI to Vistra, the selected Blue Abadi Trustee. Vistra will disburse annual allocations to KEHATI, the Component C Executing Agency and Blue Abadi Fund Administrator, based on direction from the Blue Abadi Fund Committee. Detailed implementation arrangements will be established in a Grant Agreement between the Implementing and Executing Agencies. The schematic fund flow for Project funds is shown below and in Appendix 14.

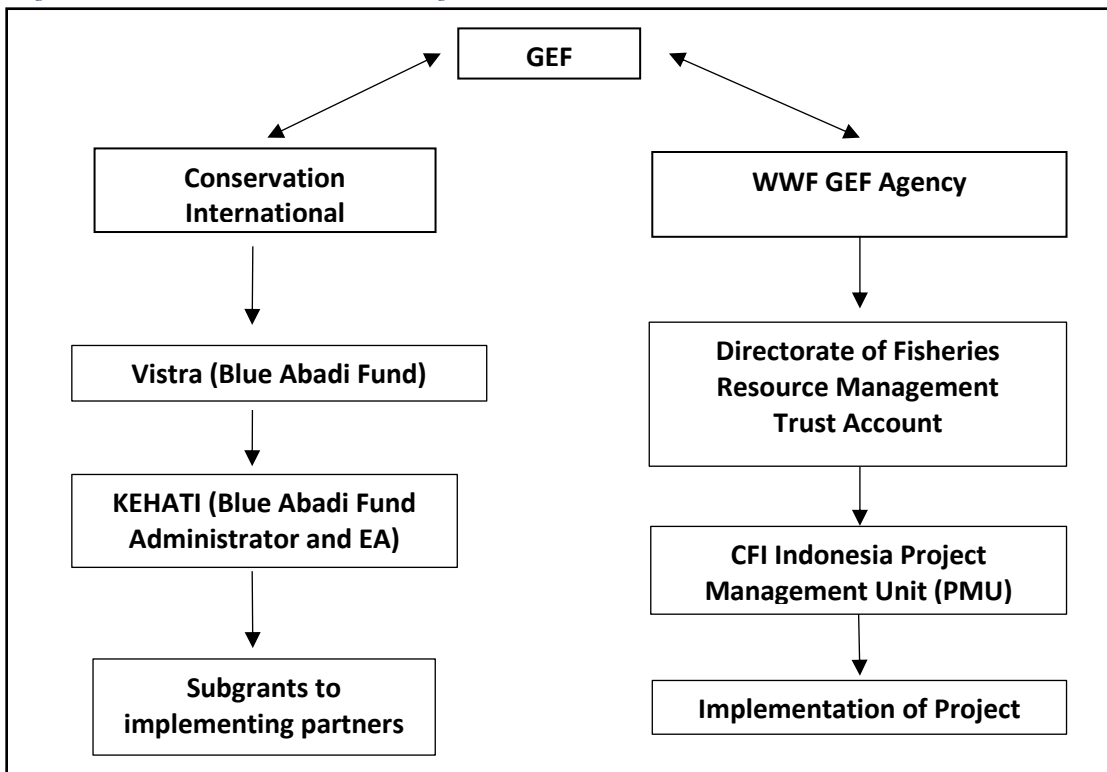
2. For Components A, B, and D, MMAF (the primary project EA), through the PMU, will be responsible for the submission of overall progress reports regarding CFI Indonesia child project. The PMU will be responsible for maintaining financial records and shall provide the primary EA with copies of all financial transactions and statements/reports. The use of Project funds shall be administered and monitored by the primary EA who, in turn, will be audited annually by external auditors. The auditors shall be selected by the primary EA, in collaboration with the PMU and with approval from WWF.

The audit reports from the external auditor must be submitted by MMAF to the WWF GEF Agency not more than six months, following the end of the fiscal year or Project closing date (whichever comes first). A separate audit opinion on the use of the CFI Indonesia project account should be included in annual reports. All procurement under the Project will be conducted according to *WWF Procurement Guidelines*.

For Component C, Conservation International, serving as co-implementation of the CFI Indonesia project, will manage their portion of the GEF resources following CI GEF Project Agency policies and procedures. Kehati, the EA for Component C will be responsible for the submission of progress and financial reports related to Component C to the CI GEF Agency. As the executing agency for component C of the project, KEHATI, will be responsible for coordinating directly with the PMU to ensure communication and alignment. CI Indonesia will additionally have a part time employee based in Indonesia who will facilitate communication between KEHATI and the PMU and ensure that learning from component C of the project gets integrated in the knowledge management systems implemented by the PMU for the full project. This coordination will be especially important in those project sites where both Blue Abadi and the other project components are being implemented, namely East Seram (FMA 715) and Wondama Bay (FMA 717).

3. WWF-US, as the lead GEF Agency for the CFI Indonesia child project, will coordinate with CI GEF Agency to ensure single project technical reporting to the GEF (e.g. PIF and project evaluations). GEF Trustee and Secretariat Financial reporting will be presented separately per individual agency project and portfolio reporting requirements. Both agencies commit to maximize coordination and efficiency within the project and among CFI partners to reduce transaction costs.

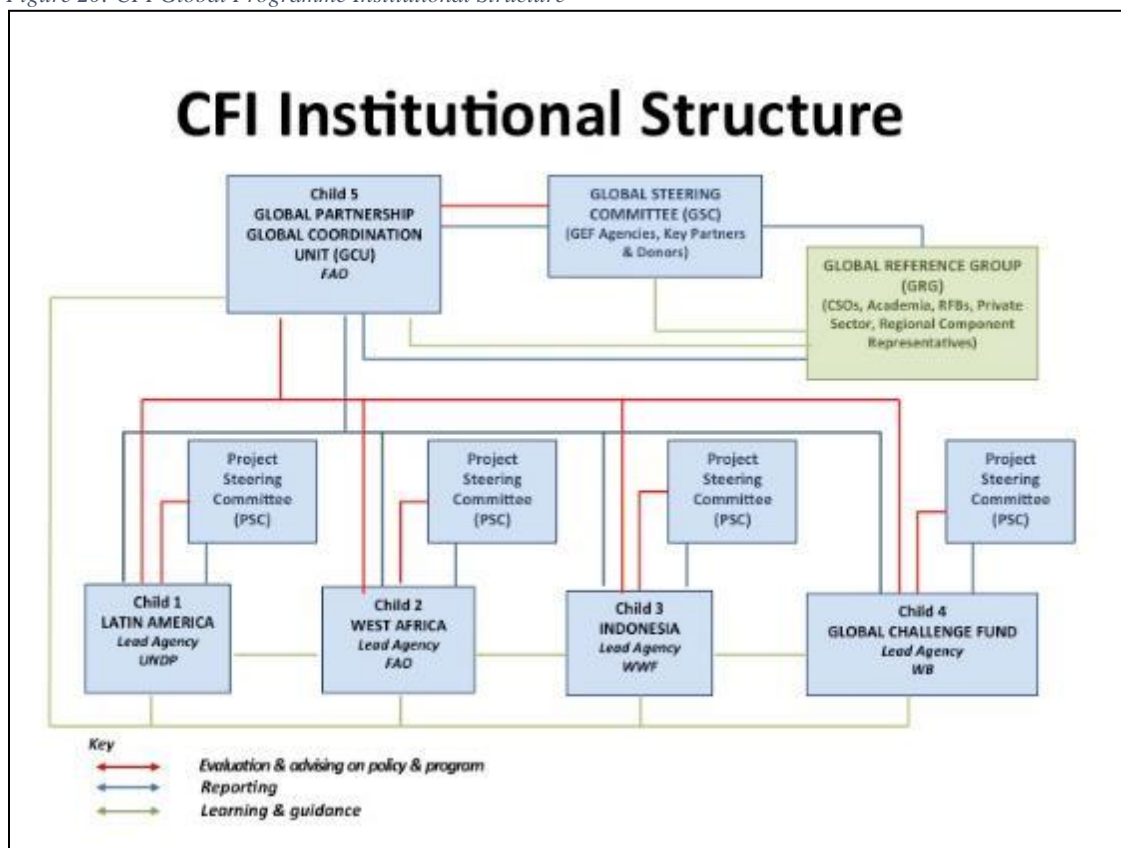
Figure 19: CFI Indonesia Fund Flow Arrangement.



### 3.2 CFI Programme Management Structure

The CFI Indonesia Project is one of five Child Projects of a CFI Global Program. The body of work, including its management structure and institutional arrangements, are embedded within the overall CFI Programme structure though the project has its own implementation arrangements (described below). The CFI Global Program’s institutional structure is shown in Figure 20.

Figure 20: CFI Global Programme Institutional Structure



### 3.3 Bird’s Head Seascape’s Blue Abadi Fund

Component C of this Indonesia GEF Child Project provides capital for the Bird’s Head Seascape’s Blue Abadi Fund. This section provides information on the Fund’s governance. More detailed information on the design criteria and process for the fund, including its financial models, fundraising status, contingency and monitoring plans is included in [Appendix 5](#).

CI’s Global Conservation Fund (GCF) has led the design of the Blue Abadi Fund. GCF has over 10 years of experience in designing such funds and has designed and invested in 23 conservation trust funds around the world. The fund has been developed in accordance with established best practices and standards for conservation trust funds as laid out by the Conservation Finance Alliance<sup>15</sup> and is in compliance with the principles laid out in the GEF’s internal standards, *GEF Finance for Biodiversity Conservation Trust Funds: A Checklist*. The Blue Abadi Fund will far exceed the 1:1 match required, with anticipated match of 1:10.

<sup>15</sup> Spergel, B. and K. Mikitin. Practice Standards for Conservation Trust Funds. Conservation Finance Alliance, 2014.

The Bird's Head Seascape coalition and the West Papua Government established a Papuan Advisory Council with high-ranking Papuan leaders to further advice on the fund development and to ensure the fund structure is locally appropriate and has necessary support and buy-in from Papuan government and communities.

The Blue Abadi Fund will be owned by Vistra Trust (Singapore) Pte. Limited (Trustee) as part of a Singapore "Foreign" Trust. Funds will be invested by a professional investment manager selected through a competitive bidding process.

The Trustee will take direction from a governance Fund Committee in Indonesia with 9 volunteer members, with the representation from the following stakeholders:

1. one member nominated by the Government of West Papua Province
2. one member nominated by the National Government
3. one member of the Papuan Peoples Assembly (representing indigenous communities)
4. one member nominated by Walton Family Foundation
5. one member representing other major donors
6. one member nominated by CI
7. one member representing other Founding Partners (WWF-ID and TNC)
8. one member drawn from private sector
9. one member with financial investment expertise

Special consideration will be given to ensure adequate inclusion of members appointed by indigenous peoples and members of both genders, as outlined in Section 6.3. Fund Committee members will serve in their personal capacity owing a duty of care to the Fund exercising their powers and discharging their duties with a reasonable degree of care and diligence.

The Fund Committee will be supported by three expert committees, including a science advisory committee, a Papuan advisory committee, and a financial advisory committee. The Fund Committee will make final decisions on instructing the Trustee regarding investment and expenditure of the Fund.

Based on the results of the legal options analysis ([Appendix 5](#)), the Indonesian Biodiversity Foundation or Yayasan Keanekaragaman Hayati Indonesia (KEHATI) has been selected as the initial fund administrator for the Blue Abadi Fund as well as the Executing Agency for Component C of this project.

The duties and responsibilities of the Administrator, including providing reporting, will be set out in a contract (the "Administrative Contract") with the Blue Abadi Fund Trustee. Conservation International (CI) will have the right to direct the Trustee in ensuring that the Administrator performs its duties and responsibilities under the Administrative Contract.

### **3.4 Coordination between the Blue Abadi Fund and Project Components A, B, and D**

The CFI Indonesia project recognizes the importance of and challenges to overall project coordination given that the Blue Abadi Fund will be operated under the auspices of KEHATI and CI while the remaining project components will be managed by a PMU under MMAF. Under the project structure, there will be two key instruments in place to ensure this coordination;

1. a CI Indonesia staff person supporting the PMU with coordination with KEHATI, and;
2. The Project Steering Committee (PSC) which provides overall guidance to the project and the Project Management Unit (PMU) that provides daily oversight. In addition to the Project Steering Committee, a Blue Abadi Fund Committee will provide specific governance oversight to the Blue Abadi Fund. A Chair



will be elected annually to lead this committee and will serve as a member of the Project Steering Committee.

As the Trust Fund will operate in one site where other component activities will be implemented (Wondama Bay in FMA 717), mechanisms will be established to ensure that activities carried out are complementary versus duplicative. The required regular reporting and monitoring of all project activities should highlight and forecast any potential conflict or duplicative effort before it arises. Lessons learned and knowledge sharing from the implementation of the Blue Abadi fund will be shared with the broader CFI Programme and other national and international audiences along with similar learning experiences from the other CFI Indonesia project components.

### 3.5 Linkages to the Overall CFI Programme

[Section 2.4](#) of this document notes the linkages between the CFI Global Programme and the CFI Indonesia Child Project Theories of Change while [Section 3.2](#) discusses linkages between the management structure of the two projects. The linkages between the two projects are also reflected at the Component and Outcome level and share common elements of the creation of sustainable financing mechanisms, institutional structures, best practices and learning and knowledge sharing. This complementarity of the two projects is illustrated in the table below.

Figure 21: Complementarity between CFI Global Programming and the CFI Indonesia Project.

CFI Global Programme Components	CFI Global Programme Targets	CFI Indonesia Related Outcomes
<b>PROGRAM COMPONENT 1:</b> Sustainability incentives in the value chain	<b>Outcome 1:</b> a) In XX fisheries in at least XX CFI countries, new or amended management regimes – including co-management and secure tenure and access rights regimes, as appropriate - are implemented successfully.	<b>Component A Outcome 2.</b> Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and provincial and national level managers.
	b) Post-harvest losses in at least XX value chains in the CFI geographies have been decreased by XX % and fuel wood consumption reduced in all fish smoking value chains covered by the CFI.	<b>Component B Outcome 2.</b> Small scale business sector investment increases in coastal fisheries management. <b>Component B Outcome 3.</b> Business sector invests and implements FIPs.
	c.1) PPPs implemented for, for example, improved landing site management, information sharing and market access. c.2) Innovative market incentive systems implemented for improved environmental, economic and social sustainability of coastal fisheries.	<b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities. <b>Component A Outcome 3.</b> Enabling incentives: Locally based financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.
<b>PROGRAMME COMPONENT 2:</b> Institutional structures and processes	<b>Outcome 2:</b> a.1) Policy, legislation and institutions in at least XX CFI countries amended as required to allow for	<b>Component A Outcome 1.</b> Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management.

CFI Global Programme Components	CFI Global Programme Targets	CFI Indonesia Related Outcomes
	implementation of revised fisheries management approaches, including co-management and revised tenure and access rights regimes as appropriate	
	<b>a.2)</b> The SSF Guidelines are reflected in national policy in at least XX CFI countries.	<b>Component B Outcome 1.</b> Improved planning and management of MPAs for cross-sectoral collaboration in place as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.
	<b>b)</b> At least XX MPAs in the CFI geographies have functioning multiple use legally recognized co-management plans (including protection of vulnerable habitats and marine ecosystems) and are integrated into broader fisheries management/EAF(M) frameworks.	<b>Component B Outcome 1.</b> Improved planning and management of MPAs for cross-sectoral collaboration in place as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches. <b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.
	<b>d)</b> The capacity of XX fishers, fish workers and local and national government staff (XX men and XX women) strengthened through training (formal and on-the-job) on key topics related to, among other things, EAF(M) and co-management (identified through needs assessments) in XX CFI countries.	<b>Component A Outcome 4.</b> Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches. <b>Component C Outcome 1.</b> Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.
<b>PROGRAMME COMPONENT 3:</b> Best practices, collaboration and performance assessment	<b>Outcome 3:</b> <b>a.1)</b> Best practices are shared through IW:LEARN activities and other learning mechanisms.	<b>Component D: Outcome 2.</b> Existing and new data and information management systems established, maintained and updated so that information is secure and available.
	<b>a.2)</b> At least XX new national and/or regional project/programme proposals by GEF Agencies, other partners and governments are based on CFI best practices and include strong collaboration between different GEF Agencies and other partners.	<b>Component D Outcome 3.</b> EAFM information for coastal fisheries management available and disseminated in the respective FMAs.

CFI Global Programme Components	CFI Global Programme Targets	CFI Indonesia Related Outcomes
	<p><b>b.1)</b> All fisheries/value chains supported through CFI are assessed by agreed performance evaluation system and information is available on key environmental, economic and social aspects.</p>	<p><b>Component D Outcome 1.</b> Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.</p>
	<p><b>b.2)</b> CFI best practices reflected in relevant fisheries policies and strategies in at least XX CFI countries.</p>	<p><b>Component A Outcome 1.</b> Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management.</p> <p><b>Component A Outcome 2.</b> Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and provincial and national level managers.</p> <p><b>Component A Outcome 4.</b> Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.</p> <p><b>Component B Outcome 3.</b> Business sector invests and implements FIPs.</p>

In addition to these programmatic linkages, the project will maintain additional linkages to the CFI Global Programme and the Child Projects through:

- regular reporting on CFI Programme standard indicators;
- reporting on GEF Tracking Tools;
- online mechanisms website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos;
- visits and exchanges from and to other CFI Child Projects; and
- coordination of information dissemination with IW:LEARN and the CFI Global Partnership Project.

This information exchange will be two-way, and lessons learned from the other Child Projects and the CFI Global Programme will help guide the evolution of the CFI Indonesia Project.

## SECTION 4: STAKEHOLDER PARTICIPATION

### 4.1 Stakeholders

Collaboration and coordination among a wide range of stakeholders is essential for EAFM to be effectively implemented and sustained in Indonesia. As such, stakeholders at the national, provincial, and district level represent key players, implementers and beneficiaries of this project. For the purposes of this document, stakeholders have been divided into categories: 1) primary stakeholders who will be an active participant in the project’s implementation and 2) secondary stakeholders whose support will be important for the successful implementation of the project and will be informed regularly about its progress. Figure 17 below presents a list of the stakeholders involved in the CFI Indonesia Child Project at the national, provincial, and district level with their role within the project noted as “primary” or “secondary” accordingly.

Figure 22: CFI Indonesia Stakeholders.

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>National Level Stakeholders</b>				
<b>Secretariat General of Ministry of Marine Affairs &amp; Fisheries</b> <i>(Sekretariat Jenderal Kementerian Kelautan &amp; Perikanan)</i>	Collects information for marine planning and budgeting. This office will ensure the integration of CFI into MMAF strategic planning.	<b>TBD</b>	MMAF will nominate a representative from a TBD Directorate to serve on the Blue Abadi Fund Committee.	<b>PRIMARY</b>
		<b>Bureau of Planning</b> <i>(Biro Perencanaan)</i>	Ensures sufficient cofinancing is in place.	
		<b>Bureau of Finance</b> <i>(Biro Keuangan)</i>	Assists with the development and oversight of the CFI Indonesia project budget.	<b>SECONDARY</b>
		<b>Bureau of Cooperation and Public Relations</b> <i>(Biro Kerjasama dan Hubungan Masyarakat)</i>	Serves as the umbrella agency for collaborative agreements between MMAF and other partner organizations including those involved with the CFI Indonesia project.	
		<b>Bureau of Policy, Regulation and Organization</b> <i>(Biro Hukum dan Organisasi)</i>	Ensures that the project is aligned with existing policies and regulations	
<b>EA</b> <i>(Direktorat Jenderal Perikanan Tangkap)</i>	Manages capture fisheries establishing catch limits, quotas, etc.	<b>Secretariat Directorate General of Capture Fisheries</b> <i>(Sekretariat Direktorat Jenderal Perikanan Tangkap)</i>	Role on PSC and provides management and administrative support to project and PMU.	<b>PRIMARY</b>
		<b>Directorate of Fish Resources Management</b> <i>(Direktorat Pengelolaan Sumberdaya Ikan)</i>	The Technical Director is the liaison with the Indonesia GEF Agency. The agency sets standards and regulations for fisheries management within EEZs and FMAs and implements fisheries management planning.	<b>PRIMARY</b>
		<b>Directorate of Fishermen Affairs</b> <i>(Direktorat Kenelayanan)</i>	Empowers and governs fishers. They will be involved in fishing licensing activities.	
		<b>Directorate of Fishing Ports</b> <i>(Direktorat Pelabuhan Perikanan)</i>	Regulates fish landing sites. They will be involved in governance of landing sites in project FMAs.	
		<b>Directorate of Fishing Vessels and Gear</b> <i>(Direktorat Kapal Perikanan dan Alat Penangkapan Ikan)</i>	Regulates fishing fleets and gear. They will be involved in development and application of gear regulations.	
		<b>Directorate of Fisheries Licensing Control</b> <i>(Direktorat Pengendalian Penangkapan Ikan)</i>	Issues fishing licenses and permits and will be involved in this aspect of the project.	

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>Directorate General of Marine and Fisheries Resources Surveillance</b> ( <i>Direktorat Jenderal Pengawasan Sumberdaya Kelautan dan Perikanan</i> )	Establishes and regulates fisheries surveillance, law enforcement and IUU. Integrates FMP w/ MCS activities.	<b>Directorate of Fisheries Resources Surveillance</b> ( <i>Direktorat Pengawasan Sumber Daya Perikanan</i> )	Oversees the implementation of FIPs, EAFM and surveillance activities at a national level and will be involved in project FIPs.	<b>PRIMARY</b>
		<b>Directorate of Fisheries Law Enforcement</b> ( <i>Penanganan Pelanggaran</i> )	Determines how fisheries laws will be enforced. They will be involved in the development and implementation of harvest control and licensing regulations.	
		<b>Directorate of Marine Resources Surveillance</b> ( <i>Direktorat Pengawasan Sumber Daya Kelautan</i> )	Oversee surveillance activities in MPAs. They will help ensure enforcement of regulations inside MPAs in the project area.	
<b>Directorate General of Marine Spatial Management</b> ( <i>Direktorat Jenderal Pengelolaan Ruang Laut</i> )	Regulates marine conservation and spatial planning.	<b>Directorate of Conservation and Marine Biodiversity</b> ( <i>Direktorat Konservasi Keanekaragaman Hayati Laut</i> )	Regulates and manages MPAs. Integrates marine spatial planning and marine conservation areas within FMAs – including the 3 project FMAs.	<b>PRIMARY</b>
		<b>Directorate of Marine Spatial Planning</b> ( <i>Direktorat Perencanaan Ruang Laut</i> )	Regulates and manages marine spatial planning at the national and provincial level and will be involved in the project’s conservation planning initiatives.	
<b>Marine and Fisheries Research and Development Agency</b> ( <i>Badan Penelitian dan Pengembangan Kelautan dan Perikanan</i> )	Establishes research priorities and provides scientific guidance.	<b>Center for Fisheries Research and Development</b> ( <i>Pusat Penelitian dan Pengembangan Perikanan</i> )	Conducts and provides scientific guidance for fisheries management. They will provide information on stock assessments, harvest control limit recommendations and BMPs.	<b>PRIMARY</b>
		<b>Center for Marine and Fisheries Socio Economic Research</b> ( <i>Pusat Penelitian Sosial Ekonomi Kelautan dan Perikanan</i> )	Conducts and provides socioeconomic guidance for fisheries. They will provide information on possible socioeconomic impacts of regulations and harvest control limits on small scale fishers.	
<b>Marine and Fisheries Human Resources Development Agency</b> ( <i>Badan Pengembangan Sumber Daya Manusia Kelautan dan Perikanan</i> )	Develops standard capacity and skills for fisheries management. Establishes standardized competencies for EAFM in Indonesia.	<b>Center for Marine and Fisheries Training</b> ( <i>Pusat Pelatihan Kelautan dan Perikanan</i> )	Conducts training and issues competency certificates for E-KKP3K, MMAF’s Management Effectiveness Tool for Marine Protected Areas that will be supported by the Project.	<b>SECONDARY</b>
		<b>Center for Training and Empowerment of Marine and Fishing Communities</b> ( <i>Pusat Penyuluhan dan Pemberdayaan Masyarakat Kelautan dan Perikanan</i> )	Provides fisheries extension services for local communities. They will promote EAFM application in communities.	

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>Directorate General for the Competitive Enhancement of Marine and Fisheries Products</b> ( <i>Direktorat Jenderal Penguatan Daya Saing Produk Kelautan dan Perikanan</i> )	Establishes product standards and provides quality control.	<b>Directorate of Fisheries Quality Control and Product Diversification</b> ( <i>Direktorat Bina Mutu dan Diversifikasi Produk Perikanan</i> )	Ensures commodities meet quality control standards and develop and communicate BMPs that will be supported by the Project as a part of EAFM.	<b>PRIMARY</b>
<b>Ministry of Environment and Forestry</b> ( <i>Kementerian Lingkungan Hidup dan Kehutanan</i> )	Regulates forest and some marine protected areas (including Cenderawasih).	<b>Directorate for International Cooperation</b> ( <i>Direktorat Kerjasama Internasional</i> )	Serves as umbrella organization for collaborative agreements with MMAF and the Ministry of Environment and Forestry. This office will provide important linkages between MMAF and MoEF as Cenderawasih National Marine Park is under MoEF jurisdiction.	<b>PRIMARY</b>
		<b>Directorate for Natural Resources Conservation and Ecosystem Management</b> ( <i>Direktorat Konservasi Sumber Daya Alam dan Pengelolaan Ekosistem</i> )	Manage and oversee Cenderawasih National Marine Park – a project focal area.	
		<b>Directorate for Natural Resources Conservation and Ecosystem Management</b> ( <i>Direktorat Konservasi Sumber Daya Alam dan Pengelolaan Ekosistem</i> )	MoEF will nominate a representative to serve on the Blue Abadi Fund Committee.	
<b>NGOs</b>	Support marine conservation and sustainable fishing initiatives in Indonesia and specifically in the CFI Indonesia geography	<b>CI</b>	Acts as the Implementing Agency for Component C of the CFI Indonesia project. Instrumental in the establishment of Blue Abadi Trust Fund as well as marine conservation initiatives in West Papua. Will have a representative on the Blue Abadi Fund Committee.	<b>PRIMARY</b>
		<b>KEHATI</b>	Serves as Executing Partner for Component C within their capacity as fund administrator for the Blue Abadi Fund.	<b>PRIMARY</b>



Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
		<b>RARE</b>	Builds capacity of local communities to implement best practices and policies designed to support EAFM and improve sustainable fisheries management in FMAs 712 and 715. They will help promote EAFM beyond the specific Project sites.	<b>SECONDARY</b>
		<b>TNC</b>	Works with local government, communities and other partners primarily in southern Raja Ampat (FMA 715). They will be an important coordinating partner for promoting EAFM in other sites in this geography. They will also have a shared representative (along with WWF) on the Blue Abadi Fund Committee.	<b>SECONDARY</b>
		<b>WWF Indonesia</b>	As requested, systems and administrative project management support. Delivery of project activities through offices in three FMAs.	<b>PRIMARY</b>
<b>ATSEA</b>			Source of information and lessons learned about EAFM application based on their work in FMA 718.	<b>SECONDARY</b>
<b>COREMAP-CTI</b>			Source of information and lessons learned about EAFM based on their work in FMAs 711, 715 and 718.	<b>SECONDARY</b>
<b>NCC CTI-CFF Indonesia</b>			Represents an information and lesson learning sharing source for marine and fisheries conservation initiatives across the Coral Triangle region. Lessons learned from the Project about the application of EAFM will be shared with them.	<b>SECONDARY</b>
<b>USAID Indonesia SEA</b>			Source of information, coordination and lessons learned based on their application of EAFM in FMA 715.	<b>SECONDARY</b>
<b>Bogor University (Universitas Bogor)</b>			Act as the national center for marine learning and will assist with the implementation of project EAFM activities.	<b>PRIMARY</b>
<b>National Commission on Fish Stock Assessments (Komisi Nasional Pengkajian Stok Sumberdaya Ikan)</b>			Provides scientific justification for catch limits based on stock assessments and will determine ideal limits in the Project FMAs.	<b>PRIMARY</b>
<b>Ministry of Transportation (Kementerian Perhubungan)</b>			Oversees marine transportation, shipping lanes and provide	<b>SECONDARY</b>

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
			specifications for boats greater than 5GT. They will be an important Project resource as many Project fishers operate boats between 5-30GT.	
<b>Ministry of Internal Affairs</b> ( <i>Kementerian Dalam Negeri</i> )			Manages, regulates and coordinates between provincial and district and sub district governments. They will be an important Project ally as Law 26 comes into vigilance in late 2016.	<b>SECONDARY</b>
<b>Coordinating Ministry of Maritime Resources</b> ( <i>Kementerian Koordinator Maritim dan Sumberdaya</i> )			Coordinates all issues under the Ministry of Maritime Resources. They will be an important Project ally for the implementation of EAFM activities in the Project area and for sharing this work in other regions of Indonesia.	<b>SECONDARY</b>
<b>Indonesia Fishermen's Association</b> ( <i>Himpunan Nelayan Seluruh Indonesia/HNSI</i> )			Union for artisanal scale fishers. The Project will inform this national level group about EAFM activities in the Project area and provide lessons learned and BMP for the application in other Indonesia geographies.	<b>SECONDARY</b>
<b>Indonesia Traditional Fishermen's Association</b> ( <i>Kesatuan Nelayan Tradisional Indonesia/KNTI</i> )			Union for subsistence fishers. The Project will inform this national level group about EAFM activities in the Project area and provide lessons learned and BMP for the application in other Indonesia geographies.	<b>SECONDARY</b>
<b>PROVINCIAL LEVEL STAKEHOLDERS</b>				
<b>FMA 715 and 718: Maluku Province</b>				
<b>Provincial Planning and Development Agency</b> ( <i>Badan Perencanaan Pembangunan Provinsi</i> )			Integrates planning and development and will assist with the implementation of Project EAFM activities.	<b>PRIMARY</b>
<b>Provincial Marine and Fisheries Agency</b> ( <i>Dinas Kelautan dan Perikanan Provinsi</i> )			Manages and regulates fishery affairs at the provincial level and will assist with the implementation of Project EAFM activities.	<b>PRIMARY</b>
<b>University of Pattimura</b> ( <i>Universitas Pattimura</i> ) P Maluku			Project partner which will disseminate learning for EAFM, FIPs and fisheries BMPs in FMAs 715 and 718.	<b>PRIMARY</b>
<b>Tual Marine and Fisheries Polytechnic Institute</b> (Politeknik Kelautan dan Perikanan Tual)			Project partner which will disseminate learning for EAFM, FIPs and fisheries BMPs in FMA 718.	<b>PRIMARY</b>

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>FMA 717: West Papua Province</b>				
<b>West Papua Provincial Government (Office of the Governor)</b>			Will nominate a representative to serve on the Blue Abadi Fund Committee.	<b>PRIMARY</b>
<b>Papuan People's Assembly</b>			Will nominate a representative to serve on the Blue Abadi Fund Committee representing indigenous communities.	<b>PRIMARY</b>
<b>Provincial Planning and Development Agency</b> (Badan Perencanaan Pembangunan Provinsi)			Integrates planning and development at the provincial level and will assist with the implementation of Project EAFM activities. .	<b>PRIMARY</b>
<b>Provincial Marine and Fisheries Agency</b> (Dinas Kelautan dan Perikanan Provinsi)			Manages and regulates fishery affairs at the provincial level and will assist with the implementation of Project EAFM activities.	<b>PRIMARY</b>
<b>Bird's Head Seascape Secretariat</b>			Supports provincial level marine resource management policy advancement and manages internal and external communications for the BHS coalition and the Blue Abadi Trust Fund.	<b>PRIMARY</b>
<b>University of Papua</b> ( <i>Universitas Papua</i> )			Project partner which will disseminate learning for EAFM, FIP and fisheries BMPs in FMA 717. Conducts all monitoring and evaluation for the BHS.	<b>PRIMARY</b>
<b>Sorong Marine and Fisheries Polytechnic Institute</b> ( <i>Politeknik Kelautan dan Perikanan Sorong</i> )			Project partner which will disseminate learning for EAFM, FIP and fisheries BMPs in FMA 717.	<b>PRIMARY</b>
<b>North Maluku Province</b>				
<b>Khairun University</b> ( <i>Universitas Khairun</i> )			Project partner which will help disseminate learning for EAFM, FIP and fisheries BMPs in FMA 715.	<b>SECONDARY</b>
<b>DISTRICT LEVEL STAKEHOLDERS</b>				
<b>FMA 715: East Seram</b>				
<b>District Fisheries Office</b> (Dinas Kelautan dan Perikanan Kabupaten)			Empowers fisher folk at the district level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>
<b>District Development Planning Bureau</b> (Badan Perencanaan Pembangunan Kabupaten)			Integrates planning and development at the district level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>Pulau Mas</b>			Potential purchaser of quality seafood.	<b>PRIMARY</b>
<b>Community Group-Based Fish Commodity Businesses</b> ( <i>Kelompok Usaha Bersama</i> )			Project grantee. There are several such groups in the District.	<b>PRIMARY</b>
<b>Lembaga Wanu Ataloa Community Organization</b>			Project grantee. Local community fisher groups.	<b>PRIMARY</b>
<b>FMA 717: Wondama Bay</b>				
<b>District Fisheries Office</b> ( <i>Dinas Kelautan dan Perikanan Kabupaten</i> )			Empowers fisher folk at the district level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>
<b>District Development Planning Bureau</b> ( <i>Badan Perencanaan Pembangunan Kabupaten</i> )			Integrates planning and development at the district level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>
<b>Cenderwasih Bay National Park Agency</b> ( <i>Balai Besar Taman Nasional Teluk Cenderawasih</i> )			Manages Cenderwasih National Park a project focal area.	<b>PRIMARY</b>
<b>Community Group-Based Fish Commodity Businesses</b> ( <i>Kelompok Usaha Bersama</i> )			Project grantee. There are several such groups in the District.	<b>PRIMARY</b>
<b>Women's Seaweed Growers Group</b> ( <i>Kelompok Budidaya Rumput Laut Wanita</i> )			Project grantee. Women's seaweed growing cooperative.	<b>PRIMARY</b>
<b>FMA 718: Southeast Maluku</b>				
<b>District Fisheries Office</b> ( <i>Dinas Kelautan dan Perikanan Kabupaten</i> )			Empowers fisher folk at the District level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>
<b>District Development Planning Bureau</b> ( <i>Badan Perencanaan Pembangunan Kabupaten</i> )			Integrates planning and development at the district level. They will be an important ally for the application and adoption of EAFM.	<b>PRIMARY</b>
<b>Pulau Mas</b>			Potential purchaser of quality seafood rendered from the project.	<b>PRIMARY</b>
<b>Community Group-Based Fish Commodity Businesses</b> ( <i>Kelompok Usaha Bersama</i> )			Project grantee. There are several such groups in the District.	<b>PRIMARY</b>
<b>Kelompok Pemanfaat Kepiting Evu (CSO)</b>			Project grantee. Local crab fisher groups found throughout the District.	<b>PRIMARY</b>
<b>Women's Group for Sustainable Tourism</b>			Project grantee. Local women's group focusing on ecotourism opportunities.	<b>PRIMARY</b>
<b>FMA 715 &amp; 717: Raja Ampat, Kaimana, Tambraw, Wondama, Nabire (via Blue Abadi)</b>				
<b>District Fisheries Offices for Raja Ampat, Kaimana, Tambraw, Wondama, and Nabire</b> ( <i>Dinas Kelautan dan Perikanan Kabupaten</i> )			Responsible for MPA and fisheries management. A representative will sit on the Blue Abadi Fund Committee Advisory Committee.	<b>SECONDARY</b>

Agency	Role	Sub Agency	CFI Indonesia Project Role	Stakeholder Group
<b>Traditional Indigenous Councils for Raja Ampat and Kaimana</b> ( <i>Dewan Adat</i> )			A representative will sit on the Blue Abadi Fund Committee Advisory Committee.	<b>SECONDARY</b>
<b>Raja Ampat MPA Management Authority and Public Service Board</b> ( <i>Unit Pelaksana Teknis Daerah dan Badan Layanan Umum Daerah</i> )			Directly responsible for the management of the Raja Ampat MPA network and a planned recipient of funds from the Blue Abadi Fund.	<b>PRIMARY</b>
<b>Kaimana MPA Management Authority</b> ( <i>Unit Pelaksana Teknis Daerah</i> )			Directly responsible for the management of the Kaimana MPA network and a planned recipient of funds from the Blue Abadi Fund.	<b>PRIMARY</b>
<b>Kaimana MPA Network Community Patrol Group</b> ( <i>Pokmaswas Kaimana</i> )			Patrols Kaimana MPA network and a planned recipient of funds from the Blue Abadi Fund.	<b>PRIMARY</b>
<b>Kalabia Foundation</b> ( <i>Yayasan Kalabia Indonesia</i> )			Conducts environmental education throughout West Papua and is a planned recipient of funds from the Blue Abadi Fund.	<b>SECONDARY</b>
<b>Misool Baseftin</b> ( <i>Yayasan Misool Baseftin</i> )			Conducts community patrols in SE Misool MPA in Raja Ampat and is a planned recipient of funds from the Blue Abadi Fund.	<b>SECONDARY</b>
<b>Papuan Sea Turtle Foundation</b> ( <i>Yayasan Penyu Papua</i> )			Project grantee. Manages sea turtle nesting beach protection and monitoring programs and is a planned recipient of funds from the Blue Abadi Fund.	<b>SECONDARY</b>
<b>Raja Ampat Tour Operators Network and Homestay Association</b>			Private sector stakeholders in tourism industry. They will either have a direct representative on the Blue Abadi Fund Committee and/or on the advisory committee.	<b>SECONDARY</b>
<b>Fisheries Cooperatives (existing and to be developed)</b>			Private sector stakeholders in fisheries industry. They will either have a direct representative on the Blue Abadi Fund Committee and/or on the advisory committee.	<b>SECONDARY</b>
<b>Additional Papuan civil society conservation organizations</b>			Eligible to apply for Blue Abadi's small grants innovation fund for local conservation and fisheries projects.	<b>SECONDARY</b>

## 4.2 Stakeholder Engagement Activities during Project Preparation

The planning phase of the CFI Indonesia Child Project has included representatives from MMAF, CI, as well as local entities such as local NGOs, Fisheries Agencies from the Maluku and West Papua provinces, District Fisheries Agencies from East Seram, Southeast Maluku and Wondama Bay, the Maluku and West Papua Province Bureaus of Planning, the East Seram, Southeast Maluku and Wondama Bay District Planning Agencies, marine and fisheries faculty from of the Pattimura University and local fisher folk including women's fishing and seaweed groups. Consultation events were convened with government representatives and local communities to

establish specific priorities for the project, and to build upon the previous conservation initiatives and expertise of MMAF, CI and WWF ID in the region. For Component C, a Papuan Advisory Council was established with the authority of the West Papua Government to advise on the design of the Blue Abadi Fund.

Stakeholder participation has been a key element of the overall CFI Indonesia project design, and over the course of the project development phase, a series of workshops has been held involving an array of stakeholders. A full list of workshops can be found in Appendix 17.

### **4.3 Stakeholder Engagement during Project Implementation**

Stakeholders will be involved in all CFI Indonesia Child Project field based activities. Engagement will include their active participation in project activities as well as coordination for the development of twice annual technical progress reports. To help ensure that project activities are designed to meet the needs of a wider array of stakeholders, groups representing women, indigenous groups and various socioeconomic strata will participate in the design of specific project activities including capacity building curricula and the development of financial mechanisms. Furthermore, and as a part of the project design, communication mechanisms will be established whereby stakeholders can provide feedback to the PMU for the adaptive management of the project and/or to address any particular project related concerns or issues and best develop any emerging opportunities. Stakeholder participation at project events and trainings will be documented along with affiliations and gender and will be included as an integral part of the project's M&E plan.

For Component C, the Blue Abadi Fund, three advisory councils will be established to serve the Fund Governance Committee including a Papuan advisory council, a conservation and science advisory council, and a financial advisory council. Each council will have equitable representation from both men and women. Key stakeholder groups will be represented either directly within the Blue Abadi Governance Council, or on the relevant advisory committee. Annual stakeholder meetings and the publication of the Blue Abadi Report and State of the Seascape Report, will additionally keep stakeholders informed and involved.



## SECTION 5: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

In terms of GEF Project Agency implementation, WWF GEF Agency Environment and Social policies and procedures are applicable to Project Components A, B, and D. Component C will be implemented by Conservation International and will follow its CI safeguards policies and procedures for that component.

### 5.1 Safeguards for activities implemented by WWF-GEF Agency (Components A, B, D)

The project is classified as a Category B for safeguard purposes. The project is essentially a conservation initiative, expected to generate positive and long-lasting social, economic and environmental benefits. It can be argued technically that it is not the Project causing the impacts, as the MPAs are already in place and the impact comes from that. However, in the spirit of the WWF safeguard policies and procedures, and for practical purposes, to prevent potential impoverishment of the small number of negatively impacted peoples, the limited by significant negative impact, will be included as part to the Project mitigation plan.

WWF's Policy on Natural Habitat is triggered as the project is directly linked to positive environmental impacts through financing of activities that support conservation of critical marine areas, monitoring of specific species, improvement in fish capture practices (Fisheries Improvement Program, FIP), as well as enhancing coordination of information sharing, including fisheries and MPA-related data, lessons learned and good practices. By supporting regional planning, national policy improvements and fisheries improvement conservation activities, the project is expected to help protect coastal ecosystems, increase fisheries production. Project activities such as the FIP and eco-tourism activities will take place in some protected areas of the coastal/marine environment. The project will not finance any construction or major physical works in these areas, or activities that lead to the conversion or degradation of any coastal ecosystems.

The project will impact indigenous peoples (IP) in all three of the Marine Protected Areas (MPAs), therefore, the WWF Indigenous Peoples Policy is triggered.

- *In Maluku Tenggara, Kei Kecil (FMA 718)* - the project affected people include both IP and others that are also native to Kei Islands. The indigenous and local communities of West Kei Kecil district dwelling in coastal and inland areas of Kei Kecil Island, in particular the people of Nufit, where leatherback turtle hunting restrictions are being strengthened, the Kei Islanders of Ohoi Debut who have traditional custodianship and responsibility for Nay Island and Hoat Island, which are closest to the no-take zone in the MPA. Another group of impacted people is fishermen from an area north of Langgur town, including Dunwahan and Sidni Ohoi villages, Krus Island and Ut Island.
- *In East Seram, Koon Island and surrounds (FMA 715)* - the people of Negeri Kataloka are part of the wider Maluku islands ethnic group; they have embraced Islam and retained to some degree elements of their traditional institutions and practices. They self-identify as indigenous people based on their historical ties to territory, dominance of a traditional governance system and various other local traditions. The project-affected people include a majority of people that identify as the members of the indigenous group of Negeri Kataloka, and some others that are also native to East Seram islands and/or are from other parts of Indonesia and have intermarried with Negeri Kataloka people.
- *West Papua, Wondama Bay (FMA 717)* - the majority of Wondama Bay communities may be considered indigenous people based on the dominance of their language, social structures, governance systems and territorial attachment to natural resource areas, also recognized by Special Autonomy law 21/2001, which is specific to Papua region. The project affected people include both indigenous peoples of the Wame, Yeresuab, Yaur and Umari tribes and others that are migrants who use the area periodically, predominantly from Sulawesi, but also from Nabire and Serui (Papua). The local indigenous peoples of 7 coastal villages in Wondama Bay District, comprising approximately 2274 people amongst 498 households are traditional users and custodians of the marine area, from various local tribes.

Any potential negative impacts on Indigenous People will be mitigated through engagement, alternative livelihood support and payment for ecosystem services, as built into the project design and/or in alignment with ongoing activities with the same peoples. The project Execution Agency has prepared an Indigenous Peoples Planning Framework (IPPF) to provide a roadmap of policy and procedures to screen project impacts on indigenous peoples and to prepare an appropriate planning document such as the Indigenous Peoples Plan (IPP) to safeguard their rights and ensure mitigation of any adverse impacts on local social, cultural and economic conditions. This IPPF provides a framework and overview of how FPIC will be approached through future consultation and project implementation and monitoring activities, including for example with the use of the Grievance Redress Mechanism (GRM) – see section below, and a grievance log that is monitored regularly by the Project Management Unit (PMU).

The Project is required to prepare an Indigenous Peoples Plan (IPP) for each of the three sites, to specify the plan of activities, including consultation, support (such as training, grants, logistical assistance and so forth) that has been agreed, as well as monitoring and evaluation information. The IPP shall be prepared prior to the implementation of activities at each site. During IPP implementation, PMU shall (i) make use of appropriate indigenous community mechanisms and structures at the village/sub-village level (refer to the engagement model diagram), and; (ii) undertake specific activities, that will enable indigenous groups to meaningfully engage in sub-project activities.

The IPP may require updating should unanticipated impacts occur: (i) when newly identified indigenous peoples in the project area are found and affected, or (ii) when new types or scales of impacts from project activities are detected. PMU shall assess the significance of impacts and identify measures to mitigate these and ensure that benefits accrue to affected communities.

While the CFI project does not involve any land acquisition or physical resettlement at any of the project sites, and will not be introducing any new areas of management, it is recognized that activities that will be undertaken under various project components may affect Project Affected Persons' (PAPs') traditional marine tenure areas, economic livelihood sources, or access to natural resources. The project is designed to build on existing classifications of marine areas, both as FMA and as Marine Protected Areas (MPA). As such it does not introduce new areas which would cause a fundamental change to ocean classification and fisheries maps, or to the allowable uses in marine areas. Rather, the project seeks to strengthen capacity for the Ecosystem Approach to Fisheries Management (EAFM) amongst key stakeholders, which has already been formally adopted by the Government of Indonesia.

Improved understanding and enforcement of the MPA rules, which dictate areas for restricted use related to fish capture, aqua-culture and tourism, as well as no-take zones, will have the effect of stopping, or at least minimizing, fishing activities in the Project area, specifically in the no-take zone. Traditional activities such as “*bamete*”, or gathering from reefs during low tide, are not forbidden. Traditional fishing in canoes, with hand lines and some types of nets, are also not forbidden. In this regard, the project impact of reduced access to marine areas is not negative or significant from a livelihoods perspective for the traditional custodians, but does have potentially negative economic implications for selected other users.

For the traditional custodians of the Kei Kecil MPA, there are implications in terms of their role in protecting the area from mis-use. The no-take zones are offshore, and there is an agreement by local government (marine-related agencies) that the indigenous communities monitor and enforce proper use of the areas. Given the (illegal) use of the no-take zones by outsiders, this has impact on indigenous custodians in terms of revitalizing their cultural function, potentially affecting their livelihoods, and also increasing potential for conflict between custodians and outsiders, who are often kin from neighboring districts.

The project will ensure that the funds allocation planned for livelihoods interventions through the FIP activities include non-IP users of the MPA Kei Kecil who come from the villages and the island around Duwahan village

(Sidni Hoi, Ut Island and Krus Island). The FIP is planned and budgeted within the Project as enabling tools, so the cost associated with targeting and including these areas will be made available.

For the Kataloka people of East Seram, the restrictions to marine access in the Koon MCA area have already been in force before the project. For the King of Kataloka as the traditional custodian, then there are not significant economic implications of increased enforcement of the no-take zone at Koon. However for his 'subjects', the people of Grogos Island who have resided near Koon on the King's (ancestral) instructions to guard Grogos and Koon islands, there will be potentially significant impacts in terms of their household economy/income. Based on WWF Indonesia's 2015 socio-economic survey, it is known that the Grogos Island residents' fish using traditional methods in a wider area of the MPA, and the no-take zone represents approximately 2% of the fishing area. The Grogos people mostly catch fish around Grogos, Koon, Nukus and Kidan islands, and some reefs and coral areas close to those islands.

Grogos islanders' catch a variety of fish for subsistence and sale, i.e. the majority of their incomes is derived from fishing and a large part of their catch was derived from the area being established as the no-take zone for Koon. Although the no-take zone represents a small area, it is one of the main areas that the Grogos islanders (and others) have used traditionally, as it is known for its abundance. The area is referred to locally as 'pasar ikan' or fish market, and is the preferred fishing location for the islanders. Thus, while they can still fish in the wider MPA area, the impact on their capture for consumption or sale is considered significant.

The Fisheries Improvement Programme under Project Component B targets these fishing communities, Alternative livelihood assessment and community consultation will also be carried out to determine suitable activities for Project support including conducting a community income baseline data to be able to measure against loss of income from the enforcement of the no take zone. A Programme of eco-tourism based on payment for ecosystem services will be supported with the local indigenous community in exchange for protecting the fish spawning area of the MPA Koon.

For the indigenous people and local communities of Wondama Bay (TNTC within FMA 717), the Project activities will have limited cultural or economic impacts, but a potential for social conflict is noted, given the historical and political sensitivities of the region. As in other Project sites, the Project will not introduce new restrictions or expand MPAs within the FMA. The focus on strengthening capacity for EAFM means improved enforcement as well as diversified opportunities for livelihoods for the users of the marine area.

The Papuans of Wondama Bay traditionally subsist from inshore fishing activities, agriculture and forestry. Fishing in no-take zones is not an activity that affects the indigenous population, but rather affects the outsider (migrant) fishermen who are predominantly from Sulawesi and operate from mobile, pontoon-like structures called bagan. The Wondama Bay MPA has been in force since 2009 and migrant fishermen are generally accustomed to, and compliant with, the rules for fishing activity in the area.

For the Nufit peoples of southern West Kei Kecil, the Project will strengthen the enforcement of bans on hunting endangered species such as the Leatherback Turtle. While the ban already exists by law and is not being introduced by the Project, the indigenous peoples' practice of hunting the turtles for food (not for sale), will be targeted for change as part of Project activities. The process of engagement to reduce hunting by indigenous peoples and local communities has already begun as part of other, ongoing WWF-Indonesia activities in the area. Although some resistance is anticipated, and time will be required for the change to become widespread, based on consultations with the affected people, this project activity will not have a negative cultural impact, but rather is anticipated to have a positive impact.

Within the MPA Kei Kecil, Indonesian regulations provide areas for limited uses including aquaculture, tourism and fish capture), as well as for traditional uses to support subsistence activities. In the southern area of the MPA where community tradition of leatherback turtle hunting has expanded beyond sustainable limited, the Project has

begun working with indigenous institutions to review the tradition and revise the indigenous legal regime (*hukum adat*) to limit turtle hunting activities. The Project will collaborate with affected communities to support their legal transition and communication activities, as well as offering support for sustainable tourism development including training and technical support. Efforts to safeguard the relevant aspects of indigenous identity related to leatherback turtles will be made from the Project outset.

Given the above potential impacts and implications of change affecting IPs and local communities as the project is implemented, the project development team prepared a Resettlement Policy Framework/Process Framework establishing a process by which members of the potentially affected communities participate in the design of the measures required to ensure the sustainable management of biodiversity, and the associated restrictions in access to natural resources. In particular, the process defines the way in which the affected communities are involved in identifying any adverse impacts, assessing the significance of these impacts, and establishing the criteria for the eligibility for any mitigating or compensating measures. Also, it describes the methods and procedures by which potential conflicts and grievances within or between affected communities will be resolved. Finally, the Resettlement Policy Framework/process framework describes the arrangement for monitoring the beneficial and adverse impacts of the project activities on the members of the communities, and for monitoring the effectiveness of measures taken to improve or restore the living standards of the affected members of the local communities.

The CFI project will not procure any pesticides and therefore the Standard on Pest Management is not applicable.

The IPPF and the Resettlement Policy Framework/Process Framework will be disclosed in MMAF, WWF Indonesia offices and MMAF regional government offices MMAF's website (representing the government). It will also be disclosed in the WWF GEF Agency Safeguards website and WWF Indonesia's website prior to project WWF GEF Agency approval and before implementation. The executive summaries of these documents will be translated into local language(s) as necessary.

During development of the full project documents, the project development team consulted with affected persons at the community level, to define the mitigation approaches to be incorporated as project activities. This has occurred through a series of meetings, including separate group meetings to focus on indigenous peoples' village chiefs, men, and women, especially those who live in the subproject affected areas. As the project enters implementation phase, effort at ongoing consultation and consistency of documentation across the different sites will be important. Preparation of implementation plans per site (IPP/detailed activity work plan) will be carried out to ensure that the selection of individuals, the nature of assistance, the required contributions of each party, budget and time-bound targets are planned and agreed.

During project preparation, the project preparation teams at each of the project site have an established relationship with most local stakeholders. Various forms of consultation have taken place at each site, depending on the need, purpose and configuration of parties involved. For example, for the formation of the Cenderawasih Bay marine park area (TNTC), government led meetings with partners, including village heads and women's representatives, in Ambon (December 2015) and Bali (January 2015). For Koon MPA, a series of consultations have been carried out, led MMAF Fisheries Department, and involving diverse parties, including the King of Katalaka as a 'representative' of the indigenous population that uses the Koon MPA.

Based on a social assessment process carried out through safeguards preparation, it is clear that the consultations have been free of coercion and have taken place prior to project implementation. Overall, however, indigenous peoples and local communities have not been provided specific and consistent information on the proposed project as a whole since activities have not been determined therefore, the project team will continue to consult indigenous peoples and local communities as the project activities get defined and on any anticipated impacts, mitigations and M&E activities.

Additional effort in planning project communications will be carried out. In particular, related to stakeholder consultation, advance planning with deliberate steps to provide project information in appropriate forms (format,

frequency, composition etc.), and at documenting the process including IP stakeholder input, feedback and any project adaptations to IP (or other stakeholder input) should be ensured. Plans to participate in local radio programs, for example, will be formalized and purchasing of air time for particular messaging related to the project will consider as part of the consultation and communication strategy.

Institutionally, overall coordination of the project's implementation of applicable national environmental and social laws and regulations and World Wildlife Fund's Environment and Social Integrated Policies and Procedures (SIPP) will be the responsibility of Project Management Unit (PMU) under the oversight of the Executing Agency (EA).

Training will be provided by the WWF GEF Agency Safeguards staff to the PMU staff especially the safeguards professional(s) who will be supporting the Project Manager on a consultancy basis and will work directly with the Site Project coordinators who will be responsible for day to day implementation of the measures outlined in the RPF/PF and the IPPF.

Reporting on the implementation of environmental and social safeguards provisions will be provided to the WWF GEF Agency as a part of the biannual progress reports. Safeguard compliance will be verified during WWF GEF Agency project supervision missions, which will include WWF GEF Agency Safeguards staff.

No later than three months after the confirmation of the precise project activities and locations, the site level project coordinators (SPCs) in all three regions will be responsible for consulting and confirming the design of socio-economic activities to address the socio-economic impacts on Project Affected Peoples (PAPs) in each of the project areas and to specifically identify vulnerable PAPs (including women, IPs, and the poor) that would require special livelihoods restoration measures. The activity detail design along with the existing survey results, will serve as benchmark for subsequent monitoring and evaluation activities. The impact of Project activities on PAPs should be monitored and evaluated on an annual basis throughout the duration of the project. The purpose of this audit will be to verify that the mitigation measures specified in the RPF/PF.

In addition, Site level Project Coordinators (SPCs) should hold annual public consultations with PAPs to inform them of the ongoing project activities, seek their views and discuss any unforeseen project impacts and/or outstanding implementation related matters. Representatives of the PMU and the safeguards specialist should attend these consultations as part of their supervisory functions.

*Grievance Redress Mechanism:* Pursuant to the WWF Policy on Involuntary Resettlement and Process Framework requirement, the project will set up and manage a grievance redress mechanism (GRM) as elaborated in the RPF/PF, that would address PAP's grievances, complaints and suggestions. The GRM should be managed by the Site level Programme Coordinators (SPCs) in each of the MPA and regularly monitored by the PMU supported by the Safeguards Specialist/Consultant. As the GRM system (as specified in the RPF) will be specific to the project its active socialization will be important at both community level and with the national, provincial and local government including district, sub district and village levels. The effectiveness of the GRM depends to a large extent of the PAPs awareness and trust of the people involved in the Project, and the system of the engagement generally as well as specifically for grievance redress. Communication strategy should be developed to include purchasing of radio time to discuss the project, project impacts and the GRM system.

## **5.2 Safeguards for activities implemented by CI-GEF Agency (Component C)**

Project Component C will impact indigenous peoples (IP) therefore, the CI Indigenous Peoples Policy is triggered. However, the design of the fund structure adequately addresses the mitigation requirements and as such, a separate Indigenous Peoples' Plan is not required.

This project will provide funding to the Blue Abadi Fund, which will permanently endow the Bird's Head Seascope partners to continue their conservation work in the seascope. The seascope strategy that will be funded has been designed from the very start to support not only biodiversity conservation, but to also empower Papuan indigenous communities to regain the right to manage the marine resources under their tenurial ownership for their long-term benefit. As such, indigenous communities have been central to every part of the initiative, from design, establishment, and management of the MPAs. Rigorous social impact monitoring is tracking the impacts of the Bird's Head Seascope's MPA network on the economic well-being, food security, political empowerment, cultural empowerment, and school enrollment of local Papuan communities. We are evaluating impact on subgroups of indigenous peoples, migrants, women and children. Led by the State University of Papua (UNIPA), there is a system in place to regular analyze these impacts, report back to communities and government and practice adaptive management to increase positive impact and address issues as they are identified. UNIPA will be funded by the Blue Abadi Fund to continue this social impact monitoring.

As stated above, indigenous communities have been well integrated, and actually at the heart of the Bird's Head Seascope initiative to date. To ensure that FPIC is also respected during the establishment of the Blue Abadi Fund, the Bird's Head Seascope coalition established a Papuan Advisory Council (PAC) to advise and approve all aspects of the Bird's Head Seascope sustainable financing strategy. The PAC was established with representatives of Papuan People's Assembly, the traditional indigenous council (Dewan Adat), the Papuan Church, and West Papuan Government, the State University of Papua, and Papuan stakeholder groups. The PAC was formally endorsed through a provincial government decree and have met bi-monthly for a year to provide inputs and approval for each element of the Blue Abadi Fund.

Once the Blue Abadi Fund is established, indigenous communities will be included in the governance of the fund in two ways. The fund will be governed by a fund committee of 9 volunteer members. One of these members will be nominated by the Papuan People's Assembly to represent the interests of Papua's indigenous communities. In addition, a local Papuan Advisory Group will be established with representatives from numerous indigenous groups and local stakeholders to provide additional advice to the fund committee. As explained more in the gender section, special consideration will be given to ensure that indigenous women are also adequately represented. Lastly, Kehati, as the fund administrator for the Blue Abadi Fund will only provide subgrants to Indonesian organizations that formally respect FPIC and all of the safeguards in their Programme activities.

See Appendix 14 for more details.

## **SECTION 6: GENDER MAINSTREAMING**

### **6.1 Gender Dimensions within the Project Area**

Indonesia is home to a labyrinth of political, cultural and socio-economic systems that contribute to discriminatory action against women as resource owners and stewards. Deeply-engrained patriarchy marginalizes the vast majority of Indonesian women causing less access to education, health, economic opportunities, justice and participation in decision-making. The land areas encompassed by FMAs 715, 717 and 718 represent a diverse array of social and cultural landscapes and histories. While Bahasa Indonesia is the national language, residents of these coastal areas are much more fluent in local languages which are used in the household, local business, political negotiations, and market transactions. As the table below indicates, formal education levels are low across the project areas, and lower for girls and women. The lack of fluency in Bahasa and a lack of formal education combined with a paternalistic culture have hindered women's attainment of leadership positions, especially within provincial level government and local resource management institutions.



Figure 23: Indicative Socio-Economic Statistics in the CFI Indonesia FMAs.

METRIC	Indonesia	FMA 715		FMA 717				FMA 718	Data Source/ Year
		East Seram	Kalimana	Wondama Bay	Raja Ampat	Nabire	Tamb rauw	Southeast Maluku	
Population, total	255,461,700	106,698	52,473	28,534	45,310	137,776	13,497	154,524	ID Statistic Bureau 2015
GNP per capita, (IDR)	Rp7,578,119 ~US\$577	Rp1,461,260 ~US\$111	Rp1,802,982 ~US\$133	Rp1,655,375 ~US\$126	Rp2,297,737 ~US\$169	na	na	Rp2,075,507 (~\$158)	ID Statistic Bureau 2010
# of households below poverty level	28,594,600	25,800	9570	11,300	na	na	na	59,600	ID Statistics Bureau 2015
Fertility rate, (births/ woman)	1.88	2.15	na	2.06	na	na	na	2.04	Pop Census 2010
% of women in petty trade “papalele”	> 40	> 70	<30	> 60	<10		na	>70	Comms with WWF field staff
% women fish product sellers in local markets	> 60	> 80	>70	> 80	<40	na	na	>80	Comms w/ WWF field staff
% of women regularly engaged in “bamei” (for consumption/ trade)	>85	> 90	na	> 90	>40	na	na	> 90	Comms w/ WWF field staff
% of women in executive positions in fisheries depts.	29%	54%	na	20%	0%	10%	na	59%	ID Statistics Bureau 2015. Marine & Fisheries Figures 2013
Primary school enrollment (female, % net)	57%	53%	na	25%	88%	na	na	54%	ID Statistics Bureau 2015
Secondary school enrollment (female, % net)	56%	51%	na	21%	59%	na	93%	54%	ID Statistics Bureau 2015

\*na refers to data that is unavailable

FMAs 715, 717 and 718 are also home to a wide-variety of indigenous groups who rely solely on near-shore fisheries for food security and livelihoods. Indigenous women are especially vulnerable to patriarchy as they are often left out of male-dominated tribal decision-making processes over resource use or rights. While fishing activities, especially involving the use of boats and activities on the high seas, is often perceived as a men’s activity, women in the region also play an important role in the sector as they engage in near shore fishing and “bamei” – the harvesting of shell fish after the tide abides) for household consumption and local trade. Given this, women’s role in fisheries is often not quantified and therefore, women are often left out of fishery discussions. Women also contribute significantly to post-harvest processing and packaging for private sector exports to local and domestic markets, and spearhead the sale of fish and fish products in local markets. Given women’s key role in fishing activities and the region’s dependency on seafood as a protein and food source for households (see table below), the incorporation of women in EAFM is essential to ensure the long-term sustainability of fish stocks in the region.

Both MMAF and CI and have long and proven experience integrating women into project activities in the project area. This integration has occurred at several levels including women’s involvement in activities that seek to benefit and diversify family unit income in coastal communities and at the community, district and province level.

Both CI and WWF have pushed for women's involvement in consultative and decision making structures related to natural resource management issues. The CFI Indonesia Child Project provides an opportunity to hone and share these efforts across the project area, across Indonesia and with the other CFI Child Projects through periodic exchanges, publications and website updates.

## **6.2 Goals and Purpose of a Gender Mainstreaming Strategy**

It is widely recognized that understanding people, their culture and their needs is essential to achieving biodiversity conservation and ensuring the long-term sustainability of any species – be it terrestrial or marine. With that understanding firmly in mind and according to WWF GEF Agency Management Unit, CI and WWF Indonesia internal gender policy and project guidance, this project is designed and implemented in such a way that both women and men:

- a) Receive culturally compatible social and economic benefits;
- b) Do not suffer adverse effects during the development process;
- c) Recognize and acknowledge management roles and responsibilities in management of natural resources when relevant and feasible; and
- d) Receive full respect for their dignity and human rights.

## **6.3 Gender Integration into the CFI Indonesia Project**

The CFI Indonesia project design team has recognized the importance of integrating gender considerations into the project design from the onset of the project. MMAF, CI and WWF ID have worked at the Regency, Provincial and community level in the project area for many years and understand the socio-economic dynamics of the area. To ensure gender integration into the project design, the team took additional steps to ensure that the project would address women's needs with respect to EAFM, promote their role in fisheries management decision making and provide a vehicle for information exchange among women of the region and beyond. Sessions about gender and women's roles in eastern Indonesia fisheries were included as a part of both the Ambon Stakeholder Orientation Meeting held in December 2015 and the Programme Integration Meeting held in Kuta in January 2016. At this latter meeting, gender integration into the project design was one of the primary themes. Draft project activities were reviewed and opportunities for gender integration were identified. Activity descriptions were revised to highlight gender integration and additional activities were included as needed to ensure women's representation and participation in the project. Meanwhile, CI has been actively integrating gender into the design of the Blue Abadi fund by ensuring fund policies and procedures, as well as planning committee members, are inclusive of women. A Papuan local advisory committee was established in 2014 to guide the design of the trust fund and includes significant representation by indigenous Papuan women leaders. Trust fund governance documents including the Blue Abadi Operations Manual were reviewed and gender sensitive policies and procedures are currently in development. See Appendix 15 for more information.

As a part of the Project Design, a plan has been developed for collecting and interpreting localized gender data. Elements of this plan include:

- As a part of Year 1 activities, the project will carry out studies in each project site to more specifically understand the role of women in coastal fisheries management. These studies will look at the roles women play in securing protein for their family, selling fish products and in local governance and policy development. Through this analysis, specific activities will be developed promote women's involvement in EAFM through these roles.
- During the life of project, sex disaggregated data will be gathered to monitor women's participation in the project. This data will be captured in the project PPRs and closely monitored by the PMU, KEHATI and the PSC to ensure that women's participation is a cornerstone of the project. Their active participation will be an ongoing and iterative exercise within the project.
- Within the Blue Abadi fund, all annual reports produced by governance committees and the administration will include a gender component. Governance committees and the administrator will report on the institutional management and decision-making elements of gender integration. Trust fund grantee proposals

will require a basic gender plan and grantees will be asked to develop and report on specific gender indicators. Following a year of operation, Blue Abadi will commission a study to measure Blue Abadi funds' specific impact on gender dynamics in marine resource stewardship.

As part of the social assessment carried out during project preparation gender aspects were considered in all three FMAs by an independent consultant. It was recommended, as a good practice measure to ensure improved outcomes from any community level activity and from project impact mitigation strategies in particular. Increased participation of women in livelihood activities is known to have a greater multiplier effect on household/family and community level welfare. The achievement of project mitigation goals, for example related to economic displacement (seaweed farming, FIP, community-based eco- and cultural tourism) all rely on effective support and participation of local women.

#### **6.4 Gender Mainstreaming in Project Components**

Within the Indonesia CFI Indonesia Child Project, gender mainstreaming will ensure that principles of full and effective engagement, empowerment and equitable participation are in place to allow the active participation of women and men in the project as described in Section 2.5.

Component A addresses the integration of EAFM into policy and coastal fishing activities writ large. Analyses will be undertaken to ensure that women and indigenous groups are considered in the development of rights based management and harvest control rules. The development of financial schemes will include an analysis of women and indigenous people's access to funds and ensure that the mechanisms developed are equitably available to these groups. The development and dissemination of best management practices will include the identification of those roles that women play in fisheries management and developing strategies to ensure that they are included in the project. As a part of this effort, training sessions will be designed and implemented to accommodate women's roles and time schedules. Where needed, trainings will be provided in the local language to ensure comprehension and adoption by anyone not familiar with Bahasa Indonesia.

Component B focuses more specifically on the integration of EAFM into overall fisheries management. Gender dimensions in activities will include recognizing the role women play in the fisheries sector and actively engaging and consulting them in the development of policies and activities designed to better manage fish stocks, prevent overfishing, protect critical reproductive habitat, ensure food security, reduce post-harvest losses of fish and mangrove destruction, and improve livelihoods. To engage this support, the project will conduct further participatory baseline research, or use action research approaches to gather data and develop suitable activities with the indigenous communities in each site as part of gender mainstreaming. This is to ensure there is a stronger baseline understanding of gender issues amongst the Project Affected Peoples (PAPs) groups and the PMU, in order that simple but clear strategies and targets for gender participation be developed.

Meanwhile, once functional, the Blue Abadi Trust Fund (Component C) will provide funding for EAFM activities for men and women. Blue Abadi will systematically integrate gender dimensions into its governance, administration and granting levels of trust fund planning and implementation by establishing functional systems and procedures for governance committee members, implementing agency staff and grantees to undertake gender integration in programs, develop core gender competencies through training and mentoring to integrate gender into trust fund policies, projects and activities, and create a gender accountability system with procedures to collect gender mainstreaming results and impact. A full gender mainstreaming plan for the Blue Abadi Fund has been developed. For more information refer to Appendix 15.

Finally, Component D will focus on knowledge management and information sharing across the project area, across Indonesia and across CFI projects. Women will be included in fisher exchange programs, and the role of women in EAFM within CFI Indonesia will be featured as a part of this information building and exchange. There will also be exchanges among women's groups and leaders within the project area.

An overview of the role that gender plays in each project outcome further details in the Table below.

Figure 24: Opportunities for Gender Integration by CFI Indonesia Outcome.

Project Outcome		Opportunities to include Gender
<p align="center"><b>Component A: Implementing Enabling Conditions for EAFM in FMA 715, 717 &amp; 718</b></p> <p><b>Objective:</b> Improved capacity and compliance of coastal fisheries stakeholders to EAFM policies and regulations exist through the application of relevant rights-based and collaborative management mechanisms and financial incentive schemes at specific sites within FMAs.</p>		
A.1	Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of holistic EAFM.	To ensure the successful implementation of EAFM, policy and frameworks should recognize and include the role that stakeholders of different socioeconomic levels and gender play in fisheries.
A.2	Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and province level managers.	“Holistic” EAFM includes considerations of commercial, subsistence and women’s and traditional groups in fisheries.
A.3	Enabling incentives: Locally based financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.	Financial mechanisms should be designed to respond to the needs of stakeholders of various socioeconomic levels and men and women.
A.4	Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.	Capacity development should be tailored to the needs and capacity of various stakeholder socioeconomic and gender groups.
<p align="center"><b>Component B: Implementing EAFM Tools in FMA 715, 717 and 718</b></p> <p><b>Objective:</b> Select coastal fisheries are improved using MPA, FIP, and BMPs tools to support the application of EAFM principles at key locations in FMA 715, 717 &amp; 718.</p>		
B.1	Improved planning and management of MPAs for cross-sectoral collaboration in place as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.	Planning and MPA management should include considerations for and consultations with all stakeholder groups, including women and small scale fishers.
B.2	Small scale business sector investment increases in coastal fisheries management.	The project will ensure that capacity building efforts understands and addresses women and tradition fisheries group needs and their roles in ensuring sustainable fisheries.
B.3	Business sector invests and implements FIPs.	NA
<p align="center"><b>Component C: Sustainably Financing the Protection of Coastal Ecosystems and EAFM Activities in FMA 715 and 717</b></p> <p><b>Objective:</b> Through the capitalization the Blue Abadi Fund in West Papua Province (FMA 715 and 717), permanently support a network of local institutions working to protect coastal ecosystems, increase fisheries production, and enhance EAFM for the benefit of small-scale local fishers and their communities.</p>		
C.1	Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.	<p>The Blue Abadi Fund Committee and Advisory Committee will be designed with equitable representation of both women and men to ensure balanced decision-making surrounding the prioritization of fund expenditures.</p> <p>Relevant Blue Abadi governance and administration documents including the Blue Abadi Operations Manual, Strategic Plan, grant administration and reporting procedures will include provisions for gender-sensitive management strategies, funding prioritization and collection of sex disaggregated data.</p> <p>Blue Abadi Fund and Advisory Committees, administrator (KEHATI) and grantees will receive training on designing and implementing gender-inclusive programs.</p>

Project Outcome		Opportunities to include Gender
		Project monitoring will include sex disaggregated data, whenever possible, to understand the project's gender implications at institutional and impacts levels. Data will be used to ensure that funds reach all members of target communities equitably and project funding prioritization and allocation is given to the most vulnerable groups.
<b>Component D: Implementing knowledge management, monitoring and evaluation for sustainable coastal fisheries in FMA 715, 717 and 718, the CFI Programme and other interested national/regional/global audiences.</b> <b>Objective:</b> Platforms are established for project monitoring, evaluation, reporting, and knowledge management promote data sharing, communication of lessons learned and adaptive management.		
D.1	Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.	Project monitoring will include documentation of women's participation in project activities.
D.2	Existing and new data and information management systems established, maintained and updated so that information is secure and available.	Data management systems will include gender disaggregated information.
D.3	EAFM information for coastal fisheries management available and disseminated in the respective FMAs.	Information gathered and trends discerned by the project will be shared with all stakeholder groups.

## 6.5 Monitoring and Reporting

Documenting sex disaggregated data in the project is an intrinsic part of the project design. To ensure that women are adequately addressed within the Programme framework, many project indicators have been disaggregated by sex (see

APPENDIX 8: CFI Indonesia Project Framework Monitoring and Evaluation Plan). In addition, project staff will be trained in gender issues and ways to adapt activities to ensure not only the presence but also the active participation of women and any other marginalized groups in the project.

## **SECTION 7: MONITORING AND EVALUATION PLAN**

### **7.1 Organizational Commitment to M&E**

As mentioned, M&E, Knowledge Sharing (KS) and Communication represent fundamental aspects of the overall CFI Programme and the CFI Indonesia Project. This robust component is designed to facilitate two-way learning and the sharing of experiences and lessons learned across and among the three Programme geographies, the CF Global Partnership projects and with a broader coastal fisheries audience. This section focuses on the CFI Indonesia M&E system, and information generated by this work will inform KS and Communication by providing qualitative and quantitative measures to determine the success (or failure) of project strategies.

Project M&E will be conducted in accordance with established WWF and GEF procedures by the project team under the WWF GEF Project Agency Programme and Project Management Standards (PPMS), and CI-GEF Project Agency procedures for Component C. Performance indicators have been developed as a part of the project design process and based on the PPMS methodology. In the following sections, the frequency and schedule of data collection is outlined for the project, as well as the roles and responsibilities of project team members. Standards for project management call for adaptive management with decision-making based on the routine and quality submission of project status and performance information with biannual Project Progress Reports (PPRs). The project's M&E plan will be presented and finalized at the project inception workshop, including a review of indicators, their definitions, means of verification, and the project staff M&E responsibilities.

### **7.2 M&E Components and Activities**

M&E represents an important aspect of the project for learning and sharing project results. The CFI Indonesia Monitoring Plan can be found in Appendix 8. Project M&E activities scheduled throughout the life of project are detailed below:

#### **1. Inception Workshop**

A project Inception Workshop will be held within the first three months of project start with the project partners and relevant stakeholders. The objective of this workshop will be to assist the wider project team in understanding the project's objectives and outcomes. The Inception Workshop will be used to detail the roles, support services and complementary responsibilities of the CFI Indonesia Executing Agencies, partners and the WWF-GEF Agencies Management Unit. A Year 1 Annual Workplan will be developed as a part of this workshop.

#### **2. Inception Workshop Report**

The CFI Indonesia Executing Agencies will develop an Inception Report documenting all changes and decisions made during the Inception Workshop to the planned activities, budget, results framework, and any other key aspects of the project. This document will serve as a key input for the planning and execution of project start-up and activities. It will be published within one month of the Inception Workshop and will be ratified by the PSC.

#### **3. Project Results Monitoring Plan (Objective, Outcomes, and Outputs)**

A Project Results Monitoring Plan will be developed by the CFI Indonesia PMU in collaboration with key stakeholders. This plan will include objective, outcome and output indicators, metrics to be collected for each indicator, methodology for data collection and analysis, baseline information, location of data gathering, frequency of data collection, responsible parties, and indicative resources needed to complete the plan.

**4. Appendix 8: Project Framework and M&E Plan** provides the Project Results Monitoring Plan table that will help complete this M&E component. In addition to the objective, outcome, and output indicators, the Project Results Monitoring Plan will also include all indicators identified in any Safeguard Plans prepared for the project and will be consistently and timely monitored. For any baseline data or assessments not been collected during the



PPG phase, data will be collected and documented by the relevant project partners within 6 months of project CEO endorsement. This plan will include documenting indicators related to the FPA.

#### **5. Fisheries Performance Assessment (FPA)**

The purpose of the Global Partnership project is to develop the FPA, so the FPA will only be available after the start of the project and sometime before the end of the project. However, to evaluate the impact of CFI on its fisheries, a baseline evaluation is necessary before/as the CFI starts. The Global Partnership Project and regional child projects will jointly carry out a preliminary baseline evaluation based on a subset of indicators that will be included in the full FPA at the earliest possible time (expecting 6 months to one year) of the project. As a part of the Global Partnership, the CFI projects will agree on a set of minimum indicators that cover the Program, allowing for a comparative baseline across the program. The initial questionnaire will be developed by looking at all indicators available from the current assessment tools (e.g., FPA, MSC standard, US Fair Trade, etc.) and prioritizing those that capture most critical elements. This questionnaire will be completed at baseline, midterm and project end and in parallel with the more quantitative, rigorous and comprehensive FPA tool as it becomes available (most likely year 2/3). The FPA is a joint work between the Global Partnership project and other child projects, and therefore, cost should be shared accordingly. Child projects should collect data of the CFI fisheries under their responsibility and bear the costs of data collection. The Partnership project shall provide Child Projects with specific data requirements and assist with the baseline assessment once necessary data has been gathered. Costs associated with the analytical and training aspects of the assessment will be covered by the Partnership project. The CFI Indonesia project has agreed to use the FPA to monitor one fishery. FAO will be invited to the CFI Indonesia Inception Workshop to discuss the tool and compare it to MMAF monitoring norms. That conversation may result in the adoption of the FPA as a monitoring tool for additional fisheries under the CFI Indonesia project. Any needed budget adjustments will be made accordingly.

#### **6. Theory of Change Indicators**

In addition to the FPA, the CFI Programme will monitor overall Programme progress through a series of Theory of Change Indicators that will be measured at project start up, midterm and end. These indicators include at least two indicators for each of the three Components (Tiers) of the Programme TOC. Due to differences in project design and objectives, not all Projects will report on the same indicators, however, there will be common indicators that each project will report on. The Global Partnership will not cover individual project costs associated with data gathering for these indicators but will collate the results and if possible do some analytical work as part of the knowledge management.

**7. Safeguards Monitoring** - The impact of project activities on Project Affected Peoples (including women, IPs and the poor) should be monitored and evaluated on an annual basis, throughout the duration of the project.

#### **8. GEF Focal Area Tracking Tools**

The relevant GEF BD Tracking Tool and IW Focal Area Tracking Tool will be completed i) prior to project start-up, ii) prior to mid-term review, and iii) at the time of the terminal evaluation. The tracking tools measure progress in achieving the impacts and outcomes established at the portfolio level under the BD, Programme 9 and IW focal areas and represent an assessment of the project contribution to GEBs.

#### **9. Project Steering Committee Meetings**

PSC meetings will be held annually and/or upon request as needed and will focus on the review and approval of the project annual budget and work plans, discuss implementation issues and identify solutions, and increase coordination and communication among key project partners. "Reflection Exercises" will be held annually to review project progress per the Theory of Change of both the CFI Indonesia Child Project as well as the CFI Global Programme to ensure alignment and make any adaptive management adjustments as needed. Meetings held by the PSC will be documented and outcomes circulated.

### **10. WWF GEF Project Agency Field Supervision Missions**

The WWF-GEF Agency Management Unit, in coordination with the CI-GEF Agency will conduct, at least, annual visits to project field sites to assess first hand project progress and monitor safeguard compliance. Oversight visits will most likely be conducted to coincide with the timing of PSC meetings and members of the PSC may join these field visits. A WWF GEF Project Implementation Supervision Mission (PrISM) Report will be prepared by the staff participating in the oversight mission and will be circulated to the PMU and PSC members within one month of the visit.

### **11. Quarterly Financial Reports**

The CFI Indonesia Executing Agency will submit quarterly financial progress reports to the WWF GEF Agency. These reports will include a cost analysis and a request for disbursement to cover projected quarterly expenditures.

For Component C, the Blue Abadi Trust Fund, KEHATI will submit annual financial reports to the CI GEF Agency. These reports will include details on the interest earned and funding disbursed to subgrantees of the Trust Fund.

### **12. Bi-annual Project Progress Report (PPR)**

The CFI Indonesia primary Executing Agency will submit bi-annual PPRs to the WWF GEF Agency to monitor progress made since project inception. PPRs will entail:

- Self-rating of project Development Objective, Implementation Progress, Safeguards and Risk;
- Cumulative progress of project impact based on project monitoring and evaluation plan;
- Reporting to the PSC and GEF on the project progress;
- Yearly implementation progress of approved project annual work plan;
- Challenges and strengths during the reporting period;
- Exchange of lessons learned;
- Suggestions for adaptive management.

For Component C and the Blue Abadi Trust Fund, KEHATI will submit annual progress reports to the CI GEF Agency detailing how activities set out in the annual workplan have been undertaken.

WWF-US, as the lead GEF Agency for the CFI Indonesia child project, will coordinate with CI GEF Agency to ensure single project technical reporting to the GEF (e.g. PIF and project evaluations). GEF Trustee and Secretariat Financial reporting will be presented separately per individual agency project and portfolio reporting requirements. Both agencies commit to maximize coordination and efficiency within the project and among CFI partners to reduce transaction costs.

### **13. Grant Reporting Monitoring Report**

- **Independent External Mid-term Review**  
An independent external mid-term review will be conducted during Year 3 of the project.
- **Final Project Report**  
The CFI Indonesia Executing Partners will draft a final report within 3 months after the end of the project.
- **Independent Terminal Evaluation**  
An independent Terminal Evaluation will take place within six months of project completion providing an external evaluation of the overall project effectiveness and efficiency. This evaluation will provide recommendations for GEF and its agencies on future BD and IW conservation projects as well as recommendations to the project team on achievement of the project impacts after completion of the project. The CFI Indonesia Executing Partners in collaboration with the PSC will provide a formal management answer to the findings and recommendations of the terminal evaluation.
- **Lessons Learned and Knowledge Generation**  
Results from the project will be disseminated within and beyond the project intervention area through

existing information sharing networks. To ensure widespread learning, the project will share information – including qualitative and quantitative data generated through M&E efforts with project and Programme website, social media, webinars, e-bulletins, listserves/email groups, project experience/result notes, synthesis reports, training workshops, conferences, blogs, stakeholder exchanges and videos list serves, newsletters, websites. (The Project will also use information generated by the other Projects to inform its strategies and activities). Project staff and beneficiaries will also participate in and facilitate exchanges with and among the other four CFI Child Projects and identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects. The results chains and Theory of Change will be reviewed for each PPR, updating lessons learned and adaptive management sections to improve the wider impact of the project. The CFI Indonesia project will access CFI communication tools to accelerate the application of EAFM in Indonesia.

- **Financial Statements Audit**

Annual Financial reports submitted by the CFI Indonesia Executing Partners will be audited annually by external auditors hired by the CFI Indonesia Executing Partners. The Blue Abadi Fund will have a separate annual audit by third party auditors. The results of which will be submitted to the CI GEF Agency.

A list of reporting documents and responsible parties for each for the life of the project is included in Table 20 below.

Figure 25: Description and Frequency of Project Monitoring Documents.

<b>M&amp;E/ Reporting Document</b>	<b>How the Document will be Used</b>	<b>Timeframe/ Frequency</b>	<b>Responsible Parties and Reporting Track</b>
Quarterly Field Report	<ul style="list-style-type: none"> <li>• Internal technical monitoring.</li> </ul>	Every three months	Field team submits reports to CFI Indonesia project manager.
Annual Progress Report	<ul style="list-style-type: none"> <li>• Technical monitoring of the Blue Abadi Fund</li> </ul>	Annually	KEHATI submits reports to the CI GEF Agency
Annual Financial Report	<ul style="list-style-type: none"> <li>• Financial Monitoring of the Blue Abadi Fund</li> </ul>	Annually	KEHATI submits reports to the CI GEF Agency
WWF Network standard quarterly financial reports	<ul style="list-style-type: none"> <li>• Financial monitoring of project implementation.</li> </ul>	Every three months	CFI Indonesia PMU Finance & Administration Manager submits quarterly reports to MMAF for approval. MMAF will then send documents to WWF GEF Agency.
WWF Project Progress Report (PPR)	<ul style="list-style-type: none"> <li>• Self-rating of project Development Objective (DO) and Implementation Progress (IP), Safeguards and Risk.</li> <li>• Cumulative progress of project results based on project monitoring and evaluation plan.</li> <li>• Yearly progress of project based approved annual work plan.</li> <li>• Exchange of lessons learned between the project regions.</li> <li>• Reporting to the PSC and GEF on the project progress.</li> </ul>	Every six months	CFI Indonesia PMU Project Manager will submit biannual reports based on quarterly field reports to MMAF for approval. MMAF will then send documents to WWF GEF Agency.

M&E/ Reporting Document	How the Document will be Used	Timeframe/ Frequency	Responsible Parties and Reporting Track
Safeguards Audits	<ul style="list-style-type: none"> <li>Safeguards monitoring of the project's impact on the Project Affected People (PAPs)</li> </ul>	Annually	Independent Safeguards consultant submit this to WWF GEF Agency AMU
Reflection Exercises	<ul style="list-style-type: none"> <li>Documented reflection of project advancement towards the Programme and Project Theory of Change with adaptive management changes incorporated into new annual work plan</li> </ul>	Annually and prior to the development of the annual workplan	CFI Indonesia PMU Project Manager will submit outcomes of these exercises based on PMU and PSC reflection and reflect them in the annual Project Progress Report which will be sent to MMAF for approval. MMAF will then send the documents to the WWF GEF Agency.
Fisheries Performance Assessment (FPA)	<ul style="list-style-type: none"> <li>CFI Programme Monitoring</li> </ul>	Midterm and EOP	CFI Indonesia PMU Project Manager will submit biannual reports (based on quarterly field reports) to MMAF for approval. MMAF will then send the documents to the WWF GEF Agency.
WWF-GEF Agency Supervision Mission Report	<ul style="list-style-type: none"> <li>Supervising of project implementation by WWF-GEF.</li> <li>Monitoring of WWF Safeguards Policies in the project regions.</li> </ul>	Every year	WWF GEF Agency Representative shares this document with MMAF and the PMU.
GEF Tracking Tool	<ul style="list-style-type: none"> <li>Measuring progress in achieving the impacts and outcomes established at the portfolio level under the biodiversity focal area.</li> <li>Assessment of the project contribution to GEBs.</li> </ul>	CEO endorsement, Mid-term and End of Project	CFI Indonesia Project manager will complete
Mid-term Project Evaluation Report	<ul style="list-style-type: none"> <li>External formative evaluation of the project effectiveness and efficiency.</li> <li>Adjustment of the Results Framework and work plan for the second half of the project period.</li> <li>Informing PSC, GEF and project stakeholders on the project effectiveness and efficiency.</li> </ul>		To be conducted by external or organizational expert. WWF US GEF AMU shares with PMU.
Terminal Project Evaluation Report	<ul style="list-style-type: none"> <li>External summative evaluation of the overall project effectiveness and efficiency.</li> <li>Recommendations for GEF and its agencies on the future biodiversity conservation projects.</li> <li>Recommendation to the project team on achievement of the project impacts after completion of the project.</li> </ul>	After project completion	External expert or organizational expert. WWF GEF Agency shares with PMU.

### 7.3 Project Staff Dedicated to M&E

The **CFI Indonesia Implementing Agencies** (WWF GEF Agency and CI GEF Agency) are responsible for ensuring the oversight and evaluation activities are carried out in a timely and comprehensive manner, and for initiating key monitoring and evaluation activities, such as the independent evaluation exercise at the end of the project and supervision missions.

The **Project Management Unit (PMU)** is responsible for initiating and organizing key monitoring and evaluation tasks including the project inception workshop and report, progress reporting, annual progress and implementation reporting, documentation of lessons learned, and support for and cooperation with the independent external evaluation exercises.

The **CFI Indonesia Executing Agencies (MMAF and KEHATI)** are responsible for providing any and all required information and data necessary for timely and comprehensive project reporting, including results and financial data, as necessary and appropriate.

The **CFI Indonesia Project Steering Committee (PSC)** plays a key oversight role for the project convening regular meetings to receive updates on project implementation progress, perform reflection exercises on the project logic and adaptive management, and approve annual work plans. The PSC also provides oversight and feedback on project activities, responding to inquiries or requests for approval from the **PMU** and/or **Executing Partners**.

The **WWF GEF and CI Agency Management Units** play an overall backstopping and oversight role for monitoring and evaluation activities.

### 7.4 Calendar of Monitoring Activities and Reporting Requirements

A schedule of M&E activities and project reporting is provided below.

Figure 26: CFI Indonesia M&E and Reporting Schedule.

CFI Indonesia Project Month												
Project Year	1	2	3	4	5	6	7	8	9	10	11	12
Year 1 (Oct 2016 – Sept 2017)	FPA	DAWP	AAWP QR			PPR			QR			PPR/ DAWP /FPA
Year 2 (Oct 2017 – Sept 2018)		AAWP	QR			PPR			QR			DAWP PPR/ FPR/ FPA
Year 3 (Oct 2018 – Sept 2019)		AAWP	QR			PPR GTT			QR			DAWP PPR/ FPR/ FPA
Year 4 (Oct 2019 – Sept 2020)		AAWP	QR			PPR			QR			DAWP PPR/ FPR/ FPA
Year 5 (Oct 2020 – Sept 2021)	TR/ APPR	TR	TR/ GTT	ATR		TE	TE					
DAWP – Draft of the Annual Work Plan						GTT – GEF Tracking Tool Report						
QR – Quarterly Finance Report						AAWP – Approval of the Annual Work Plan by PSC						
PPR – Six-month and Annual Project Progress Report						TR – Terminal Project Report						
APPR – Approval of Final Project Report by PSC						TE – Terminal Evaluation of the Project						

### 7.5 Indicative M&E Budget

M&E activities have been budgeted as a part of the overall project budget. A total of \$2,125,942, or approximately 28% of the project activity budget, has been allocated for M&E and Knowledge Sharing (KS) activities to service both the project and the parent CFI Programme. As part of the project's collaboration with IW:LEARN, \$39,385 has been allocated for IW:LEARN activities, which is equal to 1% of the IW Focal Area project financing. For details, please see Section 8 and Appendix 9.

### 7.6 Project Evaluation Information

The Terms of References for the project Mid-term and Terminal Evaluation will be drafted by the WWF GEF Agency Management Unit in accordance with GEF requirements. The procurement and contracting for the independent evaluations will be handled by the CFI Indonesia Project Executing Agencies. The funding for the evaluations will come from the project budget (see Section 8).



## SECTION 8: PROJECT FINANCING AND BUDGET

### Project Budget

Eco-system Approach to Fisheries Management (EAFM) in Eastern Indonesia ANNUAL BUDGET SUMMARY						
CATEGORY	PROJECT TOTAL	YEAR				
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>COMPONENT A: Implementing EAFM in FMA 715, 717 &amp; 718</b>						
	\$ 2,488,231	\$ 384,685	\$ 442,634	\$ 564,951	\$ 569,515	\$ 526,445
1. Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management (EAFM).	\$ 611,010					
2. Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and province level managers.	\$ 410,440					
3. Enabling incentives: Locally based financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.	\$ 869,935					
4. Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.	\$ 596,846	\$ -	\$ -	\$ -	\$ -	
<b>COMPONENT B: Implementing Fisheries Improvement Projects in FMA 715, 717 and 718</b>						
	\$ 2,448,745	\$ 420,804	\$ 495,859	\$ 501,725	\$ 502,857	\$ 527,501
1. Improved planning and management of MPAs for cross-sectoral collaboration implemented as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.	\$ 717,983					
2. Small scale business sector investment increases in coastal fisheries management.	\$ 927,012					
3. Business sector invests and implements FIPs.	\$ 803,750					
<b>COMPONENT C: Blue Abadi Trust Fund</b>						
	\$ 2,635,211	\$ 2,635,211	\$ -	\$ -	\$ -	\$ -
1. Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia's first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.	\$ 2,635,211					
<b>COMPONENT D: Implementing knowledge management, monitoring and evaluation of sustainable coastal fisheries in FMA 715, 717 and 718</b>						
	\$ 2,125,943	\$ 356,540	\$ 409,867	\$ 463,525	\$ 436,612	\$ 459,398
1. Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.	\$ 656,720					
2. Existing and new data and information management systems established, maintained and updated so that information is secure and available.	\$ 535,269					
3. EAFM information for coastal fisheries management available and disseminated in the respective FMAs, the CFI Program and other interested national/regional/global audiences.	\$ 933,954					
<b>Program Management</b>						
	\$ 485,357	\$ 109,297	\$ 89,658	\$ 92,567	\$ 95,610	\$ 98,225
<b>TOTAL PROJECT COSTS</b>						
	\$ 10,183,486	\$ 3,906,537	\$ 1,438,019	\$ 1,622,768	\$ 1,604,594	\$ 1,611,569

## 8.1 Project Budget Notes

**Table 1. Annual budget summary**

Eco-system Approach to Fisheries Management (EAFM) in Eastern Indonesia ANNUAL BUDGET SUMMARY						
TOTAL PROJECT						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	PROJECT TOTAL
PERSONNEL	423,311	436,452	450,027	464,052	478,545	2,252,387
THIRD PARTY FEES & EXPENSES	185,214	189,553	216,430	171,807	196,834	959,839
GRANTS & AGREEMENTS	2,751,711	119,995	187,249	142,601	142,033	3,343,589
TRAVEL, MEETINGS & WORKSHOPS	405,012	552,045	606,822	658,978	633,106	2,855,963
OTHER DIRECT COSTS	106,676	127,417	149,306	153,836	147,330	684,565
EQUIPMENT	22,423	-	-	-	-	22,423
ADMINISTRATIVE COSTS	12,191	12,556	12,933	13,321	13,721	64,721
<b>TOTAL PROJECT COSTS</b>	<b>3,906,537</b>	<b>1,438,019</b>	<b>1,622,768</b>	<b>1,604,594</b>	<b>1,611,569</b>	<b>10,183,487</b>

### 8.2.1 Staffing

**Table 2. Project staff**

Position Title	Summary of responsibilities	Average Annual % time	Average annual Budget	Total Project Budget
<b>Project Management Costs (PMC)</b>				
Programme Manager	Responsible for managing GEF project programmatic and Management	30%	22,617	113,085
Finance Coordinator	Responsible for implementation Budget GEF	30%	7,964	39,819
Admin & GS coordinator	Responsible for Contract sub-grant, Asset Project, etc	35%	8,548	42,738
Birds Head Seascape Manager	Represents the Blue Abadi Trust Fund out of Conservation International	25%	8,802	44,008
<b>TOTAL PROJECT MANAGEMENT COSTS (PMC)</b>			<b>47,930</b>	<b>239,650</b>

<b>Component A</b>				
Technical Assistance	To support mostly in administration of this project. (Human Resource Department, Legal Department, Procurement, Accounting & Finance, Internal Control, Conservation Director, etc)	32%	46,943	234,714
Programme Manager	Responsible for managing GEF project programmatic and Management	25%	18,847	94,237
Finance Coordinator	Responsible for implementation Budget GEF	25%	6,636	33,182
Admin & GS coordinator	Responsible for Contract sub-grant, Asset Project, Etc	25%	6,106	30,528
Knowledge Management & MNE Specialist	Responsible for Component D,EKKP3K Indicator and EAFM Assessment	25%	6,371	31,855
Communication Specialist	Develop Communication material, dissemination to public and stakeholders	25%	6,371	31,855
Site Coordinator FMA 715	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	30%	9,811	49,056
Site Coordinator FMA 717	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	30%	9,811	49,056
Site Coordinator FMA 718	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	30%	9,811	49,056
EAFM Coordinator	Responsible for developing & managing the EAFM indicator assessment and following up on recommendations	30%	6,533	32,667
<b>TOTAL COMPONENT A</b>			<b>127,241</b>	<b>636,207</b>
<b>Component B</b>				
Technical Assistance	To support mostly in administration of this project. (Human Resource Department, Legal Department, Procurement, Accounting & Finance, Internal Control, Conservation Director, etc)	32%	46,943	234,714
Programme Manager	Responsible for managing GEF project programmatic and Management	15%	11,308	56,542
Finance Coordinator	Responsible for implementation Budget GEF	15%	3,982	19,909
Admin & GS coordinator	Responsible for Contract sub-grant, Asset Project, Etc	15%	3,663	18,317
Knowledge Management & MNE Specialist	Responsible for Component D, EKKP3K Indicator and EAFM Assessment	30%	7,645	38,226
Communication Specialist	Develop Communication material, dissemination to public and stakeholders	30%	7,645	38,226
Site Coordinator FMA 715	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
Site Coordinator FMA 717	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
Site Coordinator FMA 718	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
Seafood Savers Coordinator for	Responsible for creating fisheries market chain business & connecting the retails & trader, buyer, producer	25%	4,843	24,217

Market Secretariat				
Fisheries Improvement Coordinator	Responsible for fisheries improvement activity include training using BMP and promote sustainable practice	25%	6,237	31,185
<b>TOTAL COMPONENT B</b>			<b>126,607</b>	<b>633,033</b>
<b>Component D</b>				
Technical Assistance	To support mostly in administration of this project. (Human Resource Department, Legal Department, Procurement, Accounting & Finance, Internal Control, Conservation Director, etc)	37%	54,738	273,692
Programme Manager	Responsible for managing GEF project programmatic and Management	30%	22,617	113,085
Finance Coordinator	Responsible for implementation Budget GEF	30%	7,964	39,819
Admin & GS coordinator	Responsible for Contract sub-grant, Asset Project, Etc	25%	6,106	30,528
Knowledge Management & MNE Specialist	Responsible for Component D, EKKP3K Indicator and EAFM Assessment, drawing out lessons, synthesizing information for production and dissemination.	45%	11,468	57,339
Communication Specialist	Develop Communication material, dissemination to public and stakeholders including drawing out lessons, synthesizing, producing and disseminating insights	45%	11,468	57,339
Site Coordinator FMA 715	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
Site Coordinator FMA 717	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
Site Coordinator FMA 718	responsible for day to day management GEF 6 CFI project with provincial level, district government, and community forum	35%	11,446	57,232
<b>TOTAL COMPONENT D</b>			<b>148,700</b>	<b>743,498</b>

### 8.2.2 Third Party Fees and Expenses

Table 3. Third Party Fees and Expenses

Consultant Expertise	Summary of responsibilities	Project Year/s	Average annual Budget	Total Project Budget
<b>Project Mangement Costs</b>				
Auditor	Audit of KEHATI – Blue Abadi Trust Fund	All Years	11,000	55,000
<b>Component A</b>				
EAFM Experts	Implement EAFM tools & EAFM indicators in 3 FMA	All Years	3,270.52	16,352.58
Policy Experts - Develop Local Regulation	Develop local regulation as needed for EAFM enabling conditions	All Years	10,821.39	54,106.97

FGD Facilitator	Facilitate FGD process	All Years	5,235.75	26,178.75
EAFM Experts - Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	4,508.91	22,544.57
Policy Experts - Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	4,508.91	22,544.57
FGD Facilitator	Logistic & accommodation support include airfare to 3 FMA	All Years	9,017.83	45,089.14
Consultant for PES (FS & monitor pilot projects)	Develop PES mechanism in Koon	All Years	4,864.06	24,320.32
Consultant for PES - Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	8,168.55	40,842.77
Learning Center Facilitator	Facilitate developing the learning Center in 3 FMA	All Years	5,410.70	27,053.48
Learning Center Facilitator – Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	9,017.83	45,089.14
<b>TOTAL COMPONENT A</b>			64,824.46	324,122.29
<b>Component B</b>				
MPA Experts	Conduct recommendation from E-KKP3K assessment and increase the effectiveness levels	All Years	8,116.05	40,580.23
Fisheries Business Expert Group - Develop Market Chain	Create market chain for sustainable product	All Years	8,116.05	40,580.23
MPA Experts – Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	9,017.83	45,089.14
Fisheries Business Expert Group – Expenses	Logistic & accommodation support include airfare to 3 FMA	3 Years	13,125.11	39,375.34
Gender Specialist	Responsible for Gender Mainstreaming at GEF6-CFI Project	All Years	2,885.70	14,428.52
Gender Specialist – Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	4,508.91	22,544.57
Safeguard Specialist	Evaluate safeguard implementation at 3 demonstration sites	All Years	9,017.83	45,089.14
Safeguard Specialist – Expenses	Logistic & accommodation support include airfare to 3 FMA	All Years	5,782.83	28,914.13
Safeguard Local Consultant		All Years	3,381.69	16,908.43
Safeguard Local Consultant-expenses		All Years	3,460.45	17,302.24
<b>TOTAL COMPONENT B</b>			67,412.44	310,811.96
<b>COMPONENT D</b>				

IT/data management experts	Responsible for daily maintenance database management system and development	All Years	9,548.36	47,741.81
IT experts – expenses	Logistic & accommodation support	All Years	2,935.65	14,678.27
FPA Data collection	FPA support	All years	15,000.00	75,000.00
GEF Document Reporting Specialist	Develop for annual reporting GEF6-CFI	All Years	8,494.62	42,473.09
GEF Document Reporting Specialist –Expenses	Logistic & accommodation support	All Years	6,901.88	34,509.38
Mid-term & Final Evaluator	Evaluate the Project Progress	2 Years	19,131.08	38,262.15
Mid-term & Final Evaluator-Expenses	Logistic & accommodation support	1 Year	17,239.63	17,239.63
<b>TOTAL COMPONENT D</b>			<b>79,251.22</b>	<b>269,904.33</b>

### 8.2.3. Grants and Agreements

To achieve the outcomes of this project, we proposed to include some partners as sub-recipients to work together. The proposed partners are listed in table below.

The list of the partners coming from existing stakeholder , which identified as main partner in the FMA 715,717,718 as academic institution and promote by national government. IPB is the leading academic institution when EAFM developed in Indonesia since 2 years ago.

**Table 4. Sub recipient summary**

<b>Partner Name</b>	<b>Total sub-recipient Budget</b>
University of Papua	49,454
Pattimura University	92,727
Bogor Agricultural Institute (IPB)	124,765
Learning Center in Maluku	84,946
Learning Center in Papua	84,946
TBD (for initiating PES Pilot Project in Maluku & Papua)	192,872
TBD (for Log Book Monitoring)	78,668
Vistra (Blue Abadi Trust Fund)	2,635,211
<b>Sub Total Sub Grants</b>	<b>3,343,589</b>

The above listed partners will execute activities under the project components, as described in Table 5 below. The costs included in Table 5 are fully inclusive of all costs including, staff, travel and workshops.

**Table 5. Grants**

<b>Name of Partner</b>	<b>Purpose</b>	<b>Location</b>	<b>Total</b>
<b>Component A</b>			
University of Papua	Economic valuation study at FMA 717	Papua	49,454.40
Pattimura University	Economic valuation study at FMA 715,718	Ambon	92,727.00
TBD (for initiating PES Pilot Project in Maluku & Papua)	Develop PES Mechanism	Ambon and Papua	192,871.62



TBD (for Log Book Monitoring)	Log Book Monitoring data collection	3 FMA with existing fishing vessel at target location	78,667.91
<b>TOTAL COMPONENT A</b>			<b>413,720.93</b>
<b>Component B</b>			
Learning Center in Maluku	Developing Fisheries Management Council	Ambon	84,946
Learning Center in Papua	Developing Fisheries Management Council	Kei, Wondama/Ternate	84,946
<b>TOTAL COMPONENT B</b>			<b>169,892</b>
<b>COMPONENT C</b>			
Vistra	Blue Abadi Trust Fund	Singapore	2,635,211
<b>TOTAL COMPONENT C</b>			<b>2,635,211</b>
<b>COMPONENT D</b>			
Bogor Agricultural Institute	Developing Fisheries Management Council for National Level	Indonesia	124,765
<b>TOTAL COMPONENT D</b>			<b>124,765</b>

#### 8.2.4. Travel

For domestic travel we anticipate \$1,000/trip which is derived from \$100 per diem (5 days x \$20/day), round trip air ticket \$450, hotel \$320 for 4 nights, and \$130 for local transportation and incidental costs. As proposed in activity, this project will establishing EAFM enabling condition & EAFM enabling tools at national, FMA 715, 717,718. The location to the sites need more coordination between national & provincial levels. The number of domestic trips anticipated for frequent national staff air trip to 2 province (West Papua, Maluku) with sometime to North Maluku Province. While on international travel we put \$5,300/trip which derived from \$2,500 round trip air ticket, \$800 per diem for 8 days, \$2,000 hotel for 8 nights. The International trips anticipated for coordination with FAO, CFI6 country regions, and WWF GEF US.

**Table 6. Travel**

International or Local (state the Destination if known)	Purpose of Travel	Total number of Trips	Total Project Costs
<b>Project Management Costs (PMC)</b>			
Local travel	For Birds Heard Seascape Manger to travel from Manokwar to Jakarta each year	5	5,569.00
PMU Coordination Travel (Domestic)	Coordination meeting with Stakeholder at 3 FMA	30	31,854.81
<b>TOTAL PROJECT MANAGEMENT COSTS (PMC)</b>			<b>37,423.81</b>
<b>Component A</b>			
Coordination Travel and Field Visits (Domestic)	Coordination meeting in the context EAFM assessment performance and EAFM enabling condition	115	122,110.12
<b>TOTAL COMPONENT A</b>			<b>122,110.12</b>
<b>Component B</b>			

Coordination Travel and Field Visits (Domestic)	Coordination & implementation in the context EAFM tools	96	102,182.72
<b>TOTAL COMPONENT B</b>			<b>102,182.72</b>
<b>COMPONENT D</b>			
International Travel	Coordination for project sharing and development and monitoring and evaluation within GEF6-CFI regions. Budget includes participation of Blue Abadi, travel to/from FAO FPA meetings in Rome	22	124,946.33
KM & Money Travel and Field Visits	Collect & develop & assess output project in the field. Budget includes participation of Blue Abadi	116	123,548.88
<b>TOTAL COMPONENT D</b>			<b>248,495</b>

### 8.2.5. Workshops and meeting

Total costs in the below table are to cover meeting package (meeting room and meals if not been held in hotel), local transportation, workshop facilitator/external spoke person, and meeting kits.

**Table 7. Workshops and Meetings**

Location	Describe who will be participating and the estimated number of participants.	Purpose of workshop (include number of workshops planned)	Total Project Costs
<b>Project Management Costs (PMC)</b>			
Coordination Meeting	Participants: Project Manager, Finance Coordinator, admin & GS Coordinator, KM Management, communication specialist, site coordinator FMA 715,717 and 718 and MMF	Coordination meeting for PMU once a year	26,545.68
<b>TOTAL PROJECT MANAGEMENT COSTS (PMC)</b>			<b>26,545.68</b>
<b>Component A</b>			
Meetings with Stakeholders (FMA, FKPPS, and EAFM Support)	Participants: representative from MMAF, Provincial Government, Academic Institution, Learning Center, Fishers folk. Total participants are estimated around 70 persons	Developing Fisheries Management Council at 3 FMA. Meetings is estimated to be held 6 times along the project period.	147,242.84
FGD - Fisheries regulation and draft decrees for FMA	Participants: representative from Provincial Government, District Government, Academic Institution, and Learning Center. Total participant: 50 persons	Developing local regulation for EAFM, 8 times along the project period	56,068.88
Public Consultation - Fisheries license & gear regulations	Participants: Fishers folk, community group, Academic Institution Total Participants: 60 persons	Input & recommendation from stakeholder. One time in the 5 <sup>th</sup> year	25,886.70
FGD - Fisheries Management & Data Sharing Mechanism	Participants: representative from MMAF, Academic Institution, Learning Center Total participant: 40 persons	Input & recommendation from stakeholder 2 times in the 5 <sup>th</sup> year	27,982.10

Symposium for Fisheries Management	Participants: representative from Academic Institutional, Fishers stakeholders, MMAF Total participant: 150 persons	Collect existing fisheries research & beyond One time only in the 1 <sup>st</sup> year	31,000.00
FGD in each site - PES	Participants: Fisher Folks, Community Group, Provincial Government, District Government Total Participant: 60 persons	Input & recommendation from stakeholder  7 times during project period	93,141.52
FGD Provincial & National Level - PES	Participants: representatives from Province Government, MMAF, Ministry of Finance Total Participants: 100 persons	Input & recommendation from stakeholders  4 times during project period	142,684.69
EAFM Training (SK3 & BMP)	Participants: representatives from Academic institution, MMAF, and Provincial Government Total Participants: 60 persons	Conduct training & Certification  4 times during project period	68,946.17
FGD - Assessment & Training of Trainers	Participants: MMAF, Fisher Folk, Community Group Total Participants: 60 persons	Conduct TOT for support the training  8 times during project period	136,917.95
Learning Centre Capacity Building	Participants: Learning Center member Total Participants: 60 persons	Develop capacity & skill Five times during the project, once a year.	84,946.17
<b>TOTAL COMPONENT A</b>			814,817.02
<b>Component B</b>			
Workshop Each FMA	Participants: MMAF, Province and District government, Community Group Total Participants: 60 persons	EAFM enabling tools input & recommendation  20 times during the project	75,829.28
Activity to support recommendation from E-KKP3K assessment	Participants: MMAF, Management Authority Total Participants: 9	Technical support for recommendation  37 times during the project	115,068.27
Meeting with Government, Stakeholders	Participants: MMAF, Province, District, Community Group Total Participants: 60 persons	Engaging stakeholder for EAFM enabling tools  28 times during the project	105,073.00
Series Training	Participants: MMAF, Province, District, Community Group Total Participants: 180	Training for capacity & skill  28 times during the project	105,073.00
Meeting Trainer	Participants: MMAF, Province, District, Community Group Total Participants: 60 persons	Conduct TOT for series training  24 times during the project	89,907.14
Business fair Logistic	Participants: MMAF, Province, District, Business group, Community Group Total Participants: 20 persons	Joint business fair for sustainable fisheries product  21 times during the project	79,348.74
Workshop Each Group	Participants: Province, District, Business group, Community Group Total Participants: 60 persons	Collect information from stakeholder  25 times during the project	181,745.15
Meeting with consultant	Participants: Province, District, Business group, Community Group Total Participants: 20 persons	Assist consultant for specific target group  23 times during the project	131,050.83

Activity to strengthen EAFM tools in component B	Participants: MMAF, Province, District, Business group, Community Group Total Participants: 20 persons	Technical support for recommendation 20 times during the project	90,926.60
Indigenous People Plan Baseline Survey	Province, District, Business group, Community Group (3)	Collect IPP as mandated in Pro-Doc One time before the project in the first year	45,000.00
<b>TOTAL COMPONENT B</b>			<b>1,019,022.01</b>
<b>COMPONENT D</b>			
KM & Monev Team Meeting (includes participation of Blue Abadi)	Participants: MMAF, PMU Total Participants: 20 persons	Develop KM, KS Platform 18 times during the project	134,445
Meeting with stakeholders	Participants: MMAF, PMU Total Participants: 60 persons	Collecting input from stakeholder 18 times during the project	134,445
CFI Programme Coordination meeting	Contribution to joint cost	4 meetings	\$40,000
Meeting Working Group (includes participation of Blue Abadi)	Participants: MMAF, PMU Total Participants: 60 persons	Shared & develop roadmap for KS KM 20 times during the project	145,821
<b>TOTAL COMPONENT D</b>			<b>454,711</b>

### 8.2.6 Equipment

**Table 8. Equipment**

Equipment Budgeted	Project Justification for equipment	Location	Total Costs
<b>Project Management Costs (PMC)</b>			
Laptop	11 Laptop for PMU project staff	Jakarta, Koon, Kei & Wondama	16,923.08
Working Space Outfitting	Office furniture for 11 project staff (office desks, chairs, partition, filing cabinet, etc.)	Jakarta, Koon, Kei & Wondama	5,500.00
<b>TOTAL PROJECT MANAGEMENT COSTS (PMC)</b>			<b>22,423.08</b>

### 8.2.7. Other Direct Costs

**Table 9. Other Direct Costs**

Description	Project Justification	Total Project Costs
<b>Project Management Costs (PMC)</b>		
Office Rent, Insurance, Maintenance, Utility	An average of \$2,501/month for office, insurance, maintenance for Birds Head Seascape Manager based in Manokwari	\$5,569
Equipment / Vehicle Lease	\$ 600/month mostly for vehicle lease to support the PMU team (local transportation)	37,989.75

Equipment / Vehicle Running Costs	\$150/month for vehicle fuel and other costs	9,497.44
Photocopying	\$100/month for photocopying, and other printing costs related to both administrative and programmatic purposes.	6,331.62
Postage & Shipping	\$200/month to cover courier for sending documents, field equipment or supplies.	12,663.25
Communications (phone, fax, AV, WP)	\$300/month to cover office phone and internet	18,994.87
Supplies	\$100/month to cover office stationary, and other expenses.	6,331.62
<b>TOTAL PROJECT MANAGEMENT COSTS (PMC)</b>		<b>97,377.56</b>
<b>TOTAL MONITORING AND EVALUATION</b>		
<b>Component A</b>		
Research Materials and Publications	Publication for EAFM assessment standard and Training, Publication for fisher gear Symposium, Log bog monitoring symposium, Publication of ' <i>SK3 standard</i> '	98,901.72
Office Rent, Insurance, Maintenance, Utility	\$2,425/month for 4 months. Mostly to cover office space of 8 Project staff (\$200/persons/month), \$200/month for maintenance, \$200/month to anticipate meeting room rent for internal staff meeting. And \$425/month to support field offices in Kei (Maluku) and Wondama (Papua), we also need to rent a field basecamp in Koon area (East Seram). 4 months of this budget line is shared to this component while the other 8 months are budgeted in the other component	51,172.98
Photocopying	\$127/month for 3 months a year. To cover photocopy and printing of administrative and programmatic documents.	2,016.48
Postage & Shipping	\$254/month for 3 months a year. To cover courier for sending documents, field equipment or supplies.	4,032.97
Communications (phone, fax, AV, WP)	\$1,189/month for 2 months a year. To support office phone and internet of the field office.	12,547.00
Supplies	\$813/month, 2 months a year. To support part of office supplies in Maluku and Papua office.	8,582.67
<b>TOTAL COMPONENT A</b>		<b>177,253.82</b>
<b>Component B</b>		
Research Materials and Publications	publication EKKP3K EAFM assessment, publication for training development, publication for market change, publication for product development diversification	99,991.72
Office Rent, Insurance, Maintenance, Utility	\$2,425/month for 4 months. Mostly to cover office space of 8 Project staff (\$200/persons/month), \$200/month for maintenance, \$200/month to anticipate meeting room rent for internal staff meeting. And \$425/month to support field offices in Kei (Maluku) and Wondama (Papua), we also need to rent a field basecamp in Koon area (East Seram).  4 months of this budget line is shared to this component while the other 8 months are budgeted in the other component	51,490.91
Photocopying	\$127/month for 3 months a year. To cover photocopy and printing of administrative and programmatic documents.	2,029.01
Postage & Shipping	\$254/month for 3 months a year. To cover courier for sending documents, field equipment or supplies.	4,058.02
Communications (phone, fax, AV, WP)	\$1,189/month for 2 months a year. To support office phone and internet of the field office.	12,624.96
Supplies	\$813/month, 3 months a year. To support part of office supplies in Maluku and Papua office.	12,953.99
<b>TOTAL COMPONENT B</b>		<b>183,148.62</b>

<b>COMPONENT D</b>		
Personal		
Research Materials and Publications	Publication for national fisheries conference, publication EAFM working group, Publication for FIP research, Publication and dissemination costs related to lessons learned. Budget includes translation costs from Bahasa Indonesian into English for all publications.	145,327.30
Office Rent, Insurance, Maintenance, Utility	\$2,425/month for 4 months. Mostly to cover office space of 8 Project staff (\$200/persons/month), \$200/month for maintenance, \$200/month to anticipate meeting room rent for internal staff meeting. And \$425/month to support field offices in Kei (Maluku) and Wondama (Papua), we also need to rent a field basecamp in Koon area (East Seram). 4 months of this budget line is shared to this component while the other 8 months are budgeted in the other component	51,490.91
Photocopying	\$127/month for 3 months a year. To cover photocopy and printing of administrative and programmatic documents.	2,029.01
Postage & Shipping	\$254/month for 3 months a year. To cover courier for sending documents, field equipment or supplies.	4,058.02
Communications (phone, fax, AV, WP)	\$1,189/month for 2 months a year. To support office phone and internet of the field office.	12,624.96
Supplies	\$813/month, 1 month a year. To support part of office supplies in Maluku and Papua office.	4,318.00
Audit Fees	Obtain, analyze and evaluate accounting documentation, previous reports, data, flowcharts and annual report audit for Project GEF-CFI	64,721.10
<b>TOTAL COMPONENT D</b>		<b>284,569.30</b>

### 8.3 Project Management Costs (PMC)

**Table 10. PMC Summary Budget**

<i>Line item</i>	<b>Total</b>
Salaries and Benefits	239,650
Third Party Fees & Expenses	55,000
Travel	37,424
Workshops	26,546
Equipment	22,423
Other Direct Costs	104,314
<b>TOTAL PMC</b>	<b>485,357</b>
<b>Total Project</b>	<b>9,698,130</b>
<b>PMC % over total project</b>	<b>5%</b>

### 8.4 Monitoring and Evaluation, Knowledge Management, and Knowledge Sharing

Component D is dedicated to activities directly related to M&E, KM, and KS:

**Table 11. M&E/KM&S Summary Budget**

<i>Line item</i>	<b>Total</b>
Salaries and Benefits	743,498
Consultancies	194,904
Grants	124,765
Travel (includes participation of Blue Abadi)	278,911
Workshops (includes participation of Blue Abadi)	499,295
Audit	64,721



Other Direct Costs (website operating costs, e-communication (list-serve and webinar, etc) subscriptions, etc)	219,848
<b>TOTAL M&amp;E/KM</b>	<b>2,125,942</b>
<b>Total Activity Amount (excluding Blue Abadi Trust Fund)</b>	<b>7,548,275</b>
<b>M&amp;E/KM % over total project</b>	<b>28%</b>

## 8.5 IW:LEARN

Description	%	Component	Justification	Total
<b>Salaries and Benefits (Position and % of time)</b>				
Communication Specialist	8%	A,B,D	Disseminate fisheries content for EAFM	10,194
EAFM Coordinator	4%	A	Responsible for EAFM implementation in national	1,307
Seafood Savers Coordinator for Market Secretariat	4%	B	Responsible for fisheries business market chain	969
<b>TOTAL SALARIES AND BENEFITS</b>				<b>12,470</b>
<b>Grants</b>				
Sub grant - Log Book Monitoring (TBD)	3%	A	assess fisheries landing sites	2,360
<b>TOTAL GRANTS</b>				<b>2,360</b>
<b>Travel</b>				
EAFM Coordination Travel and Field Visits	3%	A	Travel for assess EAFM enabling condition	3,663
<b>TOTAL TRAVEL</b>				<b>3,663</b>
<b>WORKSHOPS</b>				
Meetings with Stakeholders (FMA, FKPPS, and EAFM Support)	3%	A	Related with Fisheries development	4,417
FGD - Fisheries regulation and draft decrees for FMA	5%	A	Related with Fisheries development	2,803
Public Consultation - Fisheries license & gear regulations	5%	A	Related with Fisheries development	1,294
FGD - Fisheries Management & Data Sharing Mechanism	5%	A	Related with Fisheries development	1,399

Symposium for Fisheries Management	5%	A	Related with Fisheries development	1,550
EAFM Training (SK3 & BMP)	4%	A	Related with Fisheries development	2,758
Workshop Each FMA	4%	B	Related with Fisheries development	3,033
Activity to strengthen EAFM tools in component B	4%	B	Related with Fisheries development	3,637
<b>TOTAL WORKSHOPS</b>				<b>20,892</b>
<b>TOTAL IW Learn</b>				<b>39,385</b>
<b>TOTAL IW Project Financing</b>				<b>3,899,083</b>
<b>% IW OF OVERALL BUDGET</b>				<b>1%</b>

### 8.6 Safeguards

Safeguards	Expense	Component	Total
1. Baseline socio economic data collection to be done in the first three months of the project	Consultants expenses (for travel)	B	6,370
2. Annual Safeguards audit will be done by a local consultant to monitor the impact of the Project Affected People for the life of the project	Consultants	B	16,908
3. Annual consultations with Project Affected People by the Site level Project Coordinators of the ongoing project activities, seek their views and discuss any unforeseen project impacts and/or outstanding implementation related matters. Representatives of the PMU and the safeguards specialist will attend these consultations as part of their supervisory functions.	Travel and Consultants expenses	B and PMC	38,472
4. Indigenous People Plan for each MPA – to be completed before any project activity is done in the first year	Workshops	B	45,000
5. Safeguards Specialist/Consultant – 20 week per year (part time) for the life of the project who will be supporting the Project Manager on a consultancy basis and will work directly with the Site Project coordinators who will be responsible for day to day implementation of the measures outlined in the RPF/PF and the IPPF.	Consultants	B	45,089
6. Communications – Buy air time to discuss the project, impacts etc.	Communication	B	13,800
<b>TOTAL SAFEGUARDS</b>			<b>165,639</b>

## 8.2 Project Cofinancing

A list of cofinancing sources by name, type (in kind or cash) and amount can be found in Figure 27 below.

Figure 27: CFI Indonesia Cofinancing Sources.

Sources of Co-financing	Name of Cofinancier	Type of Cofinancing	Amount (US\$)
GEF Agency	FAO	In Kind	250,000
GEF Agency	World Wildlife Fund Inc.	Cash	1,360,033
CSO	WWF Indonesia	In Kind	3,000,000
GEF Agency	Conservation International	Cash	1,461,750
Government	Ministry of Marine Affairs and Fisheries	Cash	2,302,840
Government	Ministry of Marine Affairs and Fisheries	In Kind	36,697,160
Foundation	Walton Family Foundation	Cash	7,000,000
<b>Total Co-financing</b>			<b>52,071,783</b>

### Project Cofinancing by Component:

Component	Amount (US\$)
Component A	14,938,585
Component B	13,082,891
Component C	8,461,750
Component D	12,867,549
PMC	2,721,008
<b>Total</b>	<b>52,071,783</b>

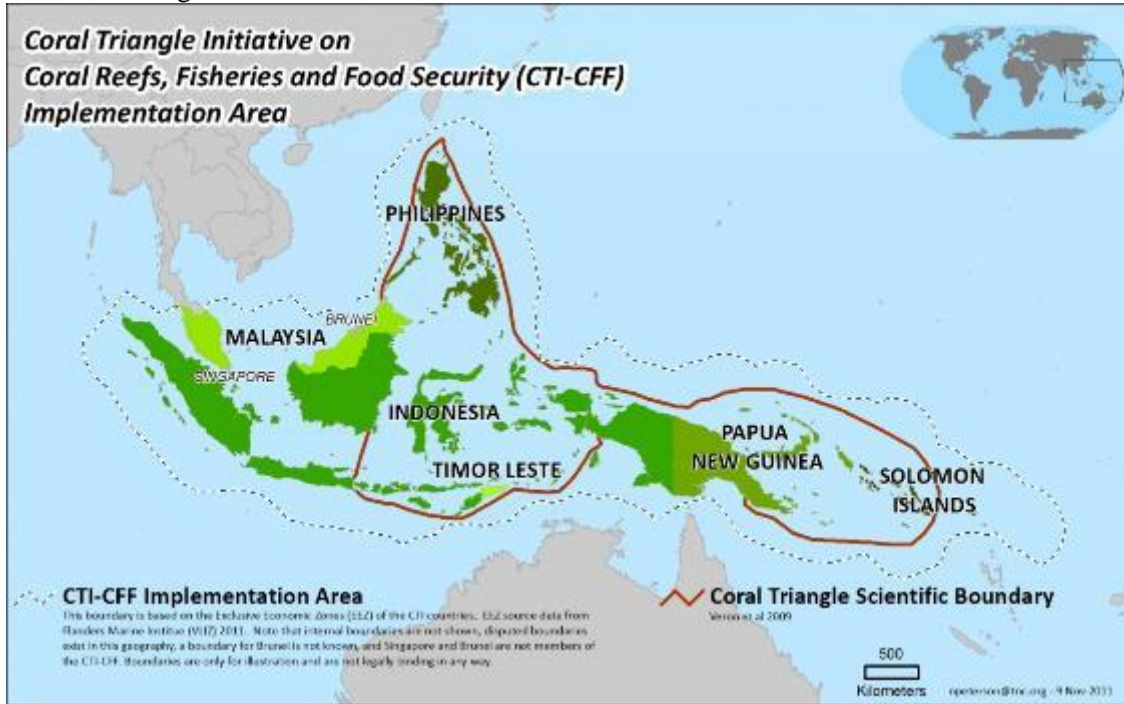
# CFI Indonesia

# APPENDICES

- 1. Project Maps**
- 2. Threats Rating**
- 3. CFI Programme Cross-map Results Based Framework and CFI Programme Theory of Change Indicators**
- 4. CFI Indonesia Conceptual Model and Results Chains**
- 5. Blue Abadi Blue Abadi Governance, Financial Assumptions, Fundraising, Contingency and Monitoring Plan**
- 6. Blue Abadi Business Plan**
- 7. Environmental and Social Safeguards**
- 8. Monitoring and Evaluation Plan**
- 9. Summary Budget**
- 10. Organizational Chart**
- 11. Workplan and Schedule**
- 12. Draft Procurement Plan**
- 13. Stakeholder Workshops**
- 14. CI GEF Safeguards**
- 15. BlueAbadi Funds Gender Mainstreaming Plan**

# APPENDIX 1: Project Maps

Map 1: The Coral Triangle

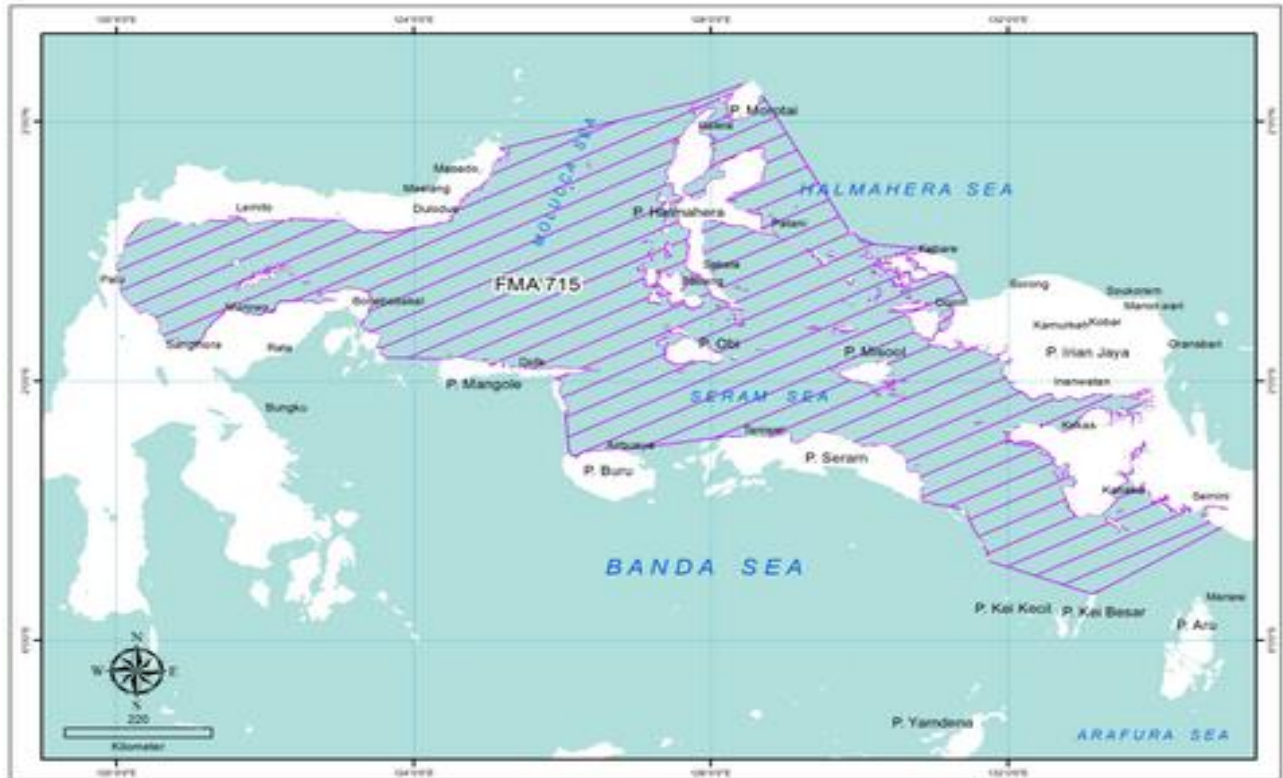


Map 2: Indonesia's 12 marine ecoregions as defined in the Marine Ecoregions of the World (MEOW) classification scheme. The numbers indicate biodiversity conservation ranking among the ecoregions

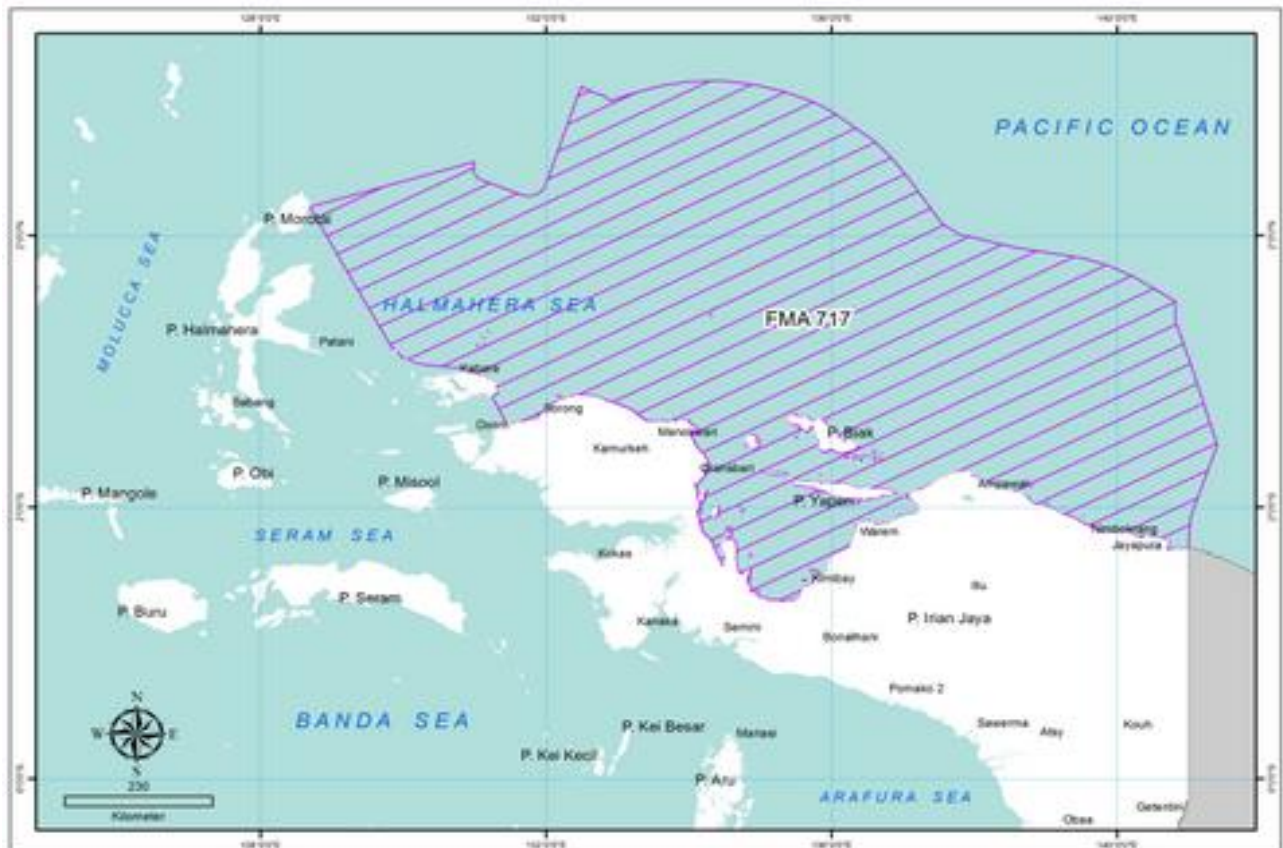


Map 3: Maps of Indonesia FMAs 715, 717, and 718.

FMA 715.

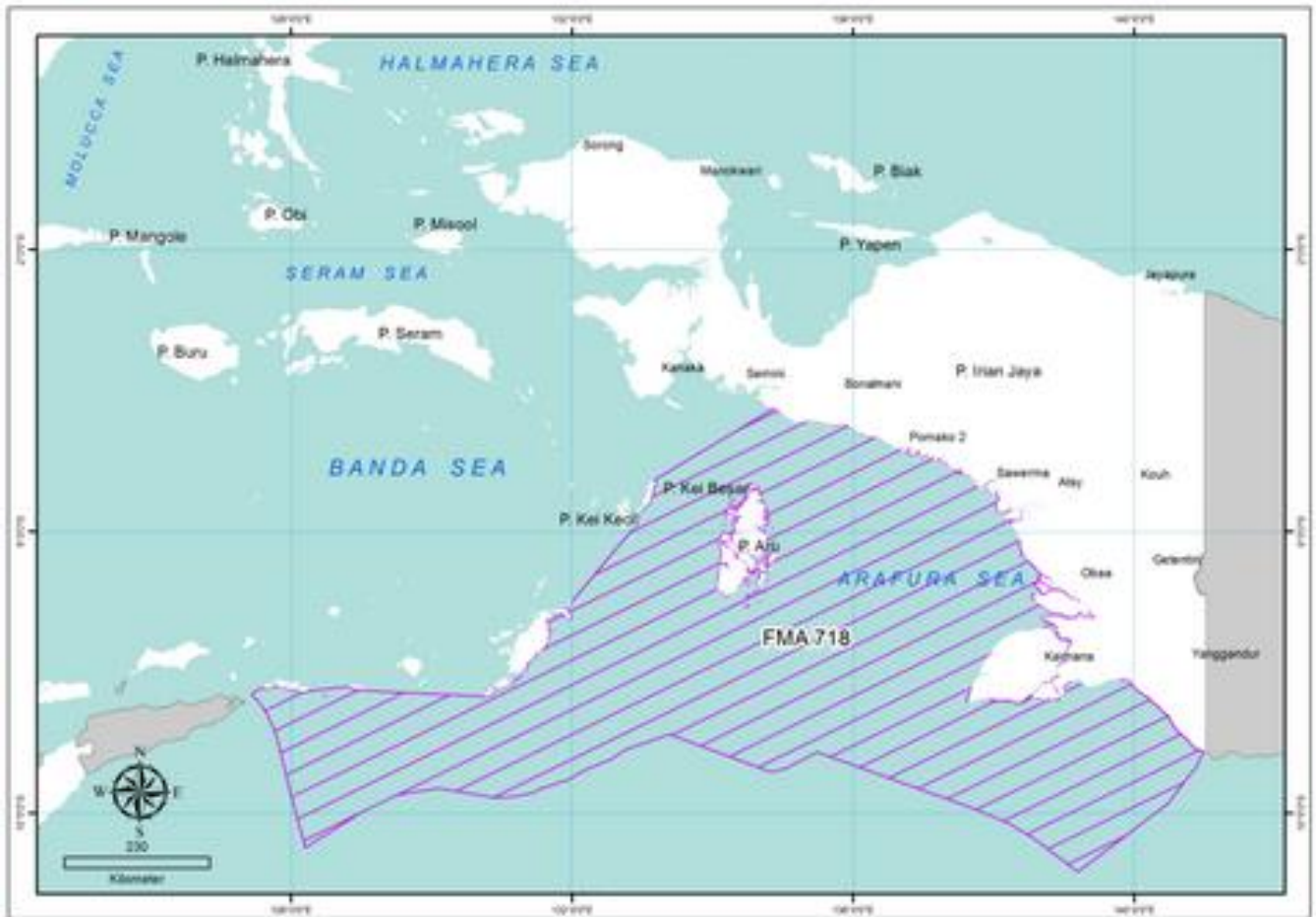


FMA 717:





FMA 718:





## APPENDIX 2: CFI Indonesia Child Project Threats Rating and Viability Analysis

### Threats Rating

Threats \ Targets	SMALL PELAGICS (Scads, Mackerel)	REEF FISH (Grouper, Snapper)	MUD CRAB	ENDANGERED SPECIES (Leatherback Turtles, Whale Sharks)	Summary Threat Rating
Illegal Unregulated and Unreported Harvesting	high	high	medium	high	HIGH
Climate Change Impacts (sea level rise, acidification)	medium	high	high	high	HIGH
Illegal Traditional Harvesting of Endangered Species	n/a	n/a	n/a	high	HIGH
Charcoal and paper pulp production	n/a	low	high	low	MEDIUM
Legal Overharvesting	low	high	low	n/a	MEDIUM
Destructive Fishing Practices	low	high	low	n/a	MEDIUM
Bycatch	n/a	n/a	medium	low	LOW
Summary Target Rating	MEDIUM	HIGH	MEDIUM	HIGH	HIGH

## Viability Analysis

Target Group	Target	KEA Attribute	KEA Type	Indicator	Poor	Fair	Good	Current Rating by FMA			Desired Rating by FMA		
								715	717	718	715	717	718
Reef Fish	Grouper	Catch composition	size	Length maturity (Lm) & Length first catch (Lc)	Lc<Lm	Lc =Lm	Lc>Lm	Poor	Poor	Poor	Fair	Fair	Fair
		abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor	Poor	Poor	Fair	Fair	Fair
	Snapper	Catch composition	size	Length maturity (Lm) & Length first catch (Lc)	Lc<Lm	Lc =Lm	Lc>Lm	Poor	Poor	Poor	Fair	Fair	Fair
		abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor			Poor	Poor	Fair
Small Pelagic Fish	Anchovy	abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor*	Fair*	Fair*	Fair*	Good*	Good*
		Catch composition	size	Length maturity (Lm) & Length first catch (Lc)	Lc<Lm	Lc =Lm	Lc>Lm	Poor	Fair	Fair	Fair	Good	Good
	Scads	abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor	Fair	Fair	Fair	Good	Good
		Catch composition	size	Length maturity (Lm) & Length first catch (Lc)	Lc<Lm	Lc =Lm	Lc>Lm	Poor	Fair	Fair	Fair	Good	Good
	Mackerel	abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor	Fair	Fair	Fair	Good	Good
		Catch composition	size	Length maturity (Lm) & Length first catch (Lc)	Lc<Lm	Lc =Lm	Lc>Lm	Poor	Fair	Fair	Fair	Good	Good
Mud Crab	Mud Crab	Catch composition	size	Carapace Width maturity (CWm) & Carapace Width first catch (CWe)	CWe<CWm	CWe=CWm	CWe>CWm	Poor	Fair	Fair	Fair	Good	Good
		abundance	condition	Catch Per Unit Effort CPUE	Metrics TBD	Metrics TBD	Metrics TBD	Poor	Fair	Fair	Fair	Good	Good
Endangered Species	Leather Back Turtles	Abundance	size	# of turtle sightings	Metrics TBD	Metrics TBD	Metrics TBD	N/A	N/A	TBD	N/A	N/A	TBD
	Whale Sharks	abundance	size	# of individuals		TBD		N/A	TBD	N/A	N/A	TBD	N/A

Source: WWF Field Survey; 2012-2015

\*TBD Indicates that metrics are currently unavailable but will be determined within the first six months of the project.

N/A indicates that the target will not be measured within this FMA.

## Overview of CFI Indonesia FMAs and Viability Rating by FMA

### FMA 715:

The 475,700km<sup>2</sup> FMA 715 includes six existing MPAs in Raja Ampat and Kaimana districts (2 national MPAs and 4 district MPAs collectively covering over 1,437,000 ha. There are more than 50 landing sites in 715 with harvests dominated by small pelagic fish (379.4 thousand tons/yr.) followed by large pelagic fish (106.5 thousand tons/yr.), and demersal fish (88.8 thousand tons/yr.). Some of the small pelagic and demersal fish are considered moderately fished, groupers and snappers are fully exploited, and big-eye tuna and shrimp are considered over-exploited.

The most common gears used in FMA 715 are various hook and line gears, gillnets and trawl and seine nets. Statistics from 2012 estimated a total of 273,000 fishers in this FMA who accounted for 98.6 percent of total landings. In 2012, FMA 715 had 48,279 vessels of a size greater than 5GT registered to operate.

*Status of Fisheries in FMA 715, 2012. Source: MMAF Decree No 45/2011.*

Species	Status	Ranking
Shrimp	O	Over Exploited
Demersal fish	M	Moderately Exploited
Red Snapper	F	Fully Exploited
Grouper	F	Fully Exploited
<b>Small Pelagic Fish</b>		
Flying Fish	F	Fully Exploited
<i>Decapterus kuroides</i>	F	Fully Exploited
<i>Decapterus macarellus</i>	M	Moderately Exploited
<b>Tuna</b>		
Skip Jack	M	Moderately Exploited
Yellow Fin	F	Fully Exploited
Big Eye	O	Over Exploited

The FMA 715 management plan was developed by MMAF in 2014 and clearly identifies the need to integrate marine protected areas with fisheries management. The management plan identified three areas through 2018:

1. Ensuring the sustainable management of fish resources and habitats.

To achieve this, MMAF is prioritizing activities such as:

- training in the use of environmentally/species friendly fishing gear,
- increasing law enforcement against illegal fishing; and
- coordinating licensing procedures and protocols between national government and local government in FMA 715 to better regulate the number of fishing vessels.

2. Increasing the economic and social benefits of sustainable fisheries.

MMAF actions are to focus on:

- establishing an MoUs with local government for fisheries regulation and governance; and
- convening fisheries management coordination meetings with all stakeholders to ensure their concerns and needs are addressed as a part of a collaborative management scheme.

3. Improving stakeholder participation and compliance through collaborative management.

Actions are to focus on:

- establishing a Fisheries Working Group;
- increasing the supervision of fisheries resource management; and
- increasing law enforcement against illegal Fish Aggregating Device (FAD) installations.

**FMA 717:**

FMA 717 includes an area of approximately 635,000km<sup>2</sup>, and includes five MPAs (1 national MPA and 4 district MPAs) collectively covering over 2,000,000 hectares. There are 15 landing sites in this FMA with most of the capture fisheries harvest derived from small pelagic fish (153.9 thousand tons/yr.) followed by large pelagic fish with 105.2 thousand tons/yr., and demersal fish at 30.2 thousand tons/yr. Reef fish catch made up 8.0 thousand tons/yr. and shrimp 1.4 thousand tons/yr. Squid (0.3 thousand tons/yr.) and lobster (0.2 thousand tons/yr.) catches were also recorded. Small pelagic and demersal fish are considered moderately fished, while large pelagic fish and shrimp are over-exploited for big-eye tuna and albacore.

Statistics from 2011 estimate that there are a total of 82,000 fishers in this FMA with primary fishing gears consisting of various types of hook and line (23,039 units), purse seine (7,710 units), other gear such as spears (4,358 units), beach seines (950 units), other seine nets used primarily for shrimp (922 units).

Figure 28: Status of Fisheries in FMA 717, 2012. Source: MMAF Decree No 45/2011.

Species	Status	Ranking
Shrimp	O	Over Exploited
Demersal	M	Moderately Exploited
Small pelagic fish	M	Moderately Exploited
<b>TUNA</b>		
Skip Jack	M	Moderately Exploited
Yellowfin	O	Over Exploited
Big eye	O	Over Exploited

The FMA 717 management plan clearly identifies the need to integrate marine protected areas with fisheries management.

To support the sustainable management of small pelagic fish and demersal fish in FMA 717, management priorities focus on fish resources and environment and socio-economic and governance issues. Activities are grouped into three main categories:

1. Ensuring the sustainable management of fish resources and habitats.

Prioritized actions include:

- Coordinating fishing licensing protocols and procedures within the FMA; and
- Increasing the number of fishers and fisher businesses that comply with logbook procedures by 20 percent.

2. Increasing economic benefits to ensure sustainable employment opportunities and poverty reduction.

To realize this, MMAF has prioritized actions including:

- Increasing the consideration and application of local fisheries values, practices and wisdom in fisheries management; and
- Reducing the number of “poor” fishermen by 50 percent (using 2012 data as a baseline).

3. Increasing the active participation and compliance of stakeholders to combat IUU Fishing. To realize this, the government has prioritized:

- increasing the number of patrols in FMA 717 by 10 percent; and
- implementing fishing vessel licensing information systems.

**FMA 718:**

FMA 718 consists of approximately 472,800km<sup>2</sup> of ocean. There are two MPAs within the FMA: Kei Kecil District covering 5000 ha and the recently declared Yamdena National MPA covering 783,000 ha. There are 12 major fishing harbors in FMA 718 with the majority of the capture fisheries harvests derived from small pelagic fish (468.7 thousand tons/yr.) followed by demersal fish with 284.7 thousand tons/yr. and large pelagic fish with 50.9 thousand tons/yr. Harvests of shrimp made up 44.7 thousand tons/yr. while reef fish constitute 3.1 thousand tons/yr. while harvests of squid (3.4 thousand tons/yr.) and lobster (0.1 thousand tons/yr.) were also recorded. Small pelagic and demersal fish are considered moderately fished while demersal fish are over-exploited and shrimp are as fully-exploited. There is a great deal of bycatch caught in the gears targeting shrimp.

Statistics from 2011 estimate a total of 273,000 fisheries in this FMA. The primary fishing gears used by small scale fisheries operations were trawl nets in the Arafura Sea (480 units), oceanic drift gillnets (150 units), bottom longlines (132 units) and shrimp nets (110 units). Various hook and line gears were also used for squid (102 units), hand lines (15 units), and pole and line (1 unit). Other less common gears included purse seine (4 units), spears, and beach seines.

*Status of Fisheries in FMA 718, 2012. Source: MMAF Decree No 45/2011.*

Species	Status	Ranking
Shrimp	F	Fully Exploited
Demersal fish	O	Over Exploited
Catfish	O	Over Exploited
Thread fin bream	O	Over Exploited
Yellow goat fish	O	Over Exploited
Seabream	O	Over Exploited
Marble goby	O	Over Exploited
Yellow croaker	O	Over Exploited
Red Snapper	O	Over Exploited
Sole	F	Fully Exploited
Small pelagic fish	M	Moderately Exploited

The management plan for FMA 718 clearly identifies the need to integrate marine protected areas with fisheries management.

To support the effective implementation of the management of small pelagic fish and demersal fish in FMA 718 an inventory of various issues associated with fish resources and the environment, socio-economic and governance was made with various stakeholders and management priorities were identified for the next two to four years.

### **1. Ensuring the sustainable management of fish resources and habitats.**

To realize this the government prioritized the following actions:

- Rationalizing the number of days of allowable shrimp and fish catch with the status of demersal stocks;
- Continuing trawling bans;
- Increasing stakeholder participation in scientific data and biological information sharing for shrimp and demersal fisheries;
- Increasing the number of fishery enumerators and data analysts by at least 50 people;
- Reducing the rate of mangrove destruction by 10 percent of the current destruction rate; and
- Reducing the rate of coral reef and seagrass bed destruction by 10 percent of the current destruction rate.

### **2. Increasing economic benefits to ensure sustainable employment opportunities and poverty reduction.**

The government has prioritized the following actions within the next two to three years:

- Reducing the number of foreign national crew on trawlers;
- Revalidating fish and shrimp fishing fleet data including catch data, the number of fishermen and revenue;
- Increasing the minimum fishing income in Maluku, Papua and West Papua provinces over three years through the reduction of post-harvest losses; promoting markets for sustainably caught fish, and setting aside areas for fish stock regeneration;
- Increasing the efficiency of utility fish processing units to a minimum of 80 percent based both on need and to reduce post-harvest losses.

### **3. Increasing the active participation and compliance of stakeholders to combat IUU Fishing.**

**Actions prioritized include:**

- Reducing the number of vessels that carry out illegal fishing activities (including vessel <30GT) by as much as 30 percent within four years;
- Eliminating of the operation of pair trawl fishing without correct licensing and/or the use of trawl fishing using pair trawl fishing within two years;
- Reducing illegal transshipment activities by 30 percent over four years;
- Reducing illegal fishing activities in territorial waters by vessels of greater than 30GT by 30 percent over four years;
- Placing transmitters on at least 1000 fishing vessels in 2015;
- Increasing the number of patrol days to 180 days/vessel patrols/year in 2015;
- Increasing the active participation of relevant agencies in joint operations combating IUU fishing;
- Increasing coordination with the fishing industry and communities in the fight against IUU fishing;
- Achieving an optimal distribution of fishing effort through licensing in the central, provincial and district within two years.

### APPENDIX 3: Cross-map Results Based Framework and CFI Programme Theory of Change Indicators

CFI Programme Goal: To contribute to coastal fisheries delivering sustainable environmental, social and economic benefits. CFI Programme Overall objective: To demonstrate holistic ecosystem based management and improved governance of coastal fisheries

PROGRAMME		Global Partnership	LAC	WA	Indonesia	Challenge Fund
OBJECTIVES / IMPACT	TARGETS	TARGETS	TARGETS	TARGETS	TARGETS	TARGETS
<p><u>Global Environmental Objective:</u> To support responsible coastal fisheries and the maintenance of ecosystem services through implementation of more holistic and better harmonised approaches.</p>	<p>a.1) XX fisheries - representing (in volume) XX% of world fisheries are moved to more sustainable levels[1].</p>	<p>The Global Partnership project will use all means at its disposal to advocate in support of best practices identified by CFI and non-CFI interventions</p>	<p>a.1) 7 fisheries - representing in volume 0,03% of world marine capture are moved to more sustainable levels. [note: annual landing ca., 25,683 t, corresponds to ca., 0,03% of world marine capture of 2012]</p>	<p>a. 1) At least 2 fisheries in the Project countries, representing up to 0.01% of world catches, are under implementation in accordance with agreed management plans and include co-management and secure tenure and access rights regimes, as appropriate (outcome 1.2).</p>	<p>The project will support sustainable coastal fisheries through the application and institutionalization of the full spectrum of EAFM in three FMAs in eastern Indonesia (FMAs 715, 717, and 718).</p>	
	<p>a.2) XX of fisheries management plans and appropriate measures implemented for rebuilding or protecting fish stocks including alternative management approaches.[2]</p>			<p>a.2) 7 of fisheries management plans and appropriate measures implemented for rebuilding or protecting fish stocks including alternative management approaches. [note: New plans of action for concha, cangrejo and pole &amp; line tuna in Ecuador, updated plans of action for dorado and pomada in Ecuador, updated management arrangements for</p>		



	<p>a.3) XX hectares of seascapes under improved management[3] (through integration of appropriate spatial management tools in fisheries management frameworks).</p> <p>b) Best practices identified through CFI referred to in national and regional policies and strategies and implemented (in XX countries / regional organisations).</p>		<p>concha and cangrejo in Peru]</p> <p>a.3) 974,157 hectares of seascapes under improved management (through integration of appropriate spatial management tools in fisheries management frameworks).</p> <p>b) Best practices identified through CFI referred to in national and regional policies and strategies and implemented (in 2 countries).</p>	<p>a.3) 304100 hectares of seascapes under improved management (outcome 1.2)</p> <p>b) EAF is referred to as the approach for fisheries management and development in relevant policy and strategy documents and implementation plans follow EAF principles.</p> <ul style="list-style-type: none"> <li>• Information on how coastal fisheries contribute to overall national development goals exists and is shared among national and local institutions and development partners.</li> <li>• Fisheries policies and strategies are more coherent and new projects and programmes refer to common priorities (outcome 1.1)</li> </ul>		
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[1] This indicator/target refers the Corporate Result/Replenishment Target No 3 in Table E in the PFD template "Program's target contributions to global environmental benefits".

[2] Indicator included in the GEF 6 Results Framework, IW Programme 7.

[3] This indicator/target refers the Corporate Result/Replenishment Target No 1 in Table E in the PFD template "Program's target contributions to global environmental benefits".

OBJECTIVES / IMPACT	TARGETS	TARGETS	TARGETS	TARGETS	TARGETS	TARGETS
<p><u>Program Development</u> Objective: To increase the economic and social value generated by coastal fisheries to support human well-being and livelihoods.</p>	<p>a.1) In XX fisheries value chains, new or amended management arrangements and incentive structures contribute to improved economic fisheries performance.</p> <p>b.1) XX fishers and fish workers (XX men and XX women) along the value chains covered by CFI have benefited from programme activities and strengthened the profitability of their businesses.</p> <p>b.2) Increased incomes and equity in revenue sharing in XX CFI value chains are demonstrated while catches remain stable or decrease.</p>	<p>The project will strengthen global partnerships across these three targets for the purpose of enhancing the understanding and application of integrated, participatory and collaborative approaches, among local and global partners who co-develop and utilize frontier tools to assess coastal fisheries performances, and identify empirically effective pathways toward environmental, social and economic sustainability for these fisheries.</p>		<p>a.1) At least one value chain analysis carried out by country (ouput 2.1.1)</p> <p>b.1) XX fishers and fish workers (men/women) benefit from improved natural resources management through improved incomes and/or other perceived livelihood improvements (outcome 1.3)</p> <p>b.2) XX women processor organisations have increased their revenues from sales in national and regional markets thanks to better product quality (outcome 2.2)</p>	<p>The project will promote the social well being of coastal peoples directly through sustainable finance mechanisms provide through a Trust Fund and PES schemes and indirectly through the application of EAFM and the sustainable fishing benefits to be rendered over time.</p>	
Program Results Framework	Global Partnership Fund	LAC	WA	Indonesia	Challenge Fund	

Components	Targets	Relevant Targets	Relevant Targets	Relevant Targets	Relevant Targets	Relevant Targets
PROGRAMME COMPONENT 1: Sustainability incentives in the value chain	Outcome 1: a) In XX fisheries in at least XX CFI countries, new or amended management regimes – including co-management and secure tenure and access rights regimes, as appropriate - are implemented successfully.		a) 7 fisheries in two countries new or amended management regimes – including co- management and secure tenure and access rights regimes, as appropriate - are implemented successfully [note five fisheries in Ecuador, two fisheries in Peru].  <b>Contributing Intermediate outputs:</b> 1.1.7 Memoir of the pilot of a traceability system with a processing company and its associated fleet 1.1.8 Design of a nation-wide traceability system for the dorado fishery 1.5.4. Design of a traceability system 1.5.5. Design of a fish quality assurance system 1.5.6. At least 5 trainers and 50 fishermen trained in fish traceability and quality assurance 1.6.5. Training modules and materials on fisheries governance and sustainable fisheries for members of the concha and cangrejo value chains 1.6.6. At least 20 trainers and 100	Outcome 1.2: Management plans are implemented and create sustainable benefits • At least 2 fisheries in the Project countries, representing up to 0.01% of world catches are under implementation in accordance with agreed management plans and include co- management and secure tenure and access rights regimes, as appropriate. • 700 ha of mangrove are under sustainable management. • 5 communities are involved in co- management supported by national institutions.	Component A Outcome 2. Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co- management to fishers and province level managers.	

			<p>members of the value chain trained in fisheries governance and sustainable fisheries</p> <p>1.6.10. Memoir of trial of traceability system and appellation of origin</p> <p>1.6.12. Memoirs of participatory research on transport, conditioning and growth of concha.</p>			
	<p>b) Post-harvest losses in at least XX value chains in the CFI geographies have been decreased by XX % and fuel wood consumption reduced in all fish smoking value chains covered by the CFI.</p>			<p>Outcome 2.1: Fishery product quality and decent working conditions are improved throughout the value chain</p> <ul style="list-style-type: none"> <li>• XX women processor organisations have adopted improved practices and their postharvest losses have been reduced by 20 %.</li> <li>• XX fishers and fish processors state that their working conditions have improved.</li> </ul> <p>Outcome 2.2: Value chains are more efficient and create incentives for responsible fisheries and sustainable livelihoods</p> <ul style="list-style-type: none"> <li>• Fuel wood consumption has decreased in fish</li> </ul>	<p>Component B Outcome 2. Capacity and skills of harvest and postharvest stakeholders (including women and traditional fisheries groups) enhanced through increased business sector investment in coastal fisheries management, coastal ecosystem recovery, reductions in waste and post-harvest loss.</p> <p>Component B Outcome 3. Relevant fisheries purchasing, practices and processing operating</p>	

				smoking in Project sites by 10 %.	procedures harmonized with national policies to support EAFM as per FMP.	
	<p>c.1) PPPs implemented for, for example, improved landing site management, information sharing and market access.</p> <p>c.2) Innovative market incentive systems implemented for improved environmental, economic and social sustainability of coastal fisheries.</p>			<p>Outcome 1.3: Coastal communities participate in fisheries management and sustainable development processes</p> <ul style="list-style-type: none"> <li>• At least one successful innovative pilot activity on how a value chain approach has positively influenced fisheries management applying, inter alia, co-management, secure tenure and access rights, PPPs, eco-labeling/certification schemes, or other.</li> </ul> <p>Outcome 2.2: Value chains are more efficient and create incentives for responsible fisheries and sustainable livelihoods</p> <ul style="list-style-type: none"> <li>• Fishery products from project sites can be found in supermarkets in capital cities of the three countries.</li> <li>• XX women processor</li> </ul>	<p>Component C Outcome 1. Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia's first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</p> <p>Component A Outcome 3. Enabling incentives: Locally based financial mechanisms</p>	<p>Pillar 1A: the development of investment criteria and guidelines for responsible private sector investment in fisheries; Pillar 2B finance technical assistance to selected applicants in finalizing a detailed package of various analytical services; support the development and presentation of investment prospectuses (IPs) to potential investors, which clearly lay out the opportunities and risks involved in investing in certain fisheries, alongside expected environmental and social impacts</p>

				organisations have increased their revenues from sales in national and regional markets thanks to better product quality.	established to demonstrate coastal ecosystem conservation as part of a holistic EAFM.	
PROGRAMME COMPONENT 2: Institutional structures and processes	Outcome 2: a.1) Policy, legislation and institutions in at least XX CFI countries amended as required to allow for implementation of revised fisheries management approaches, including co-management and revised tenure and access rights regimes as appropriate	Component 1: Strengthening of CFI Coordination and Adaptive Management. Outcome 1.1: Collaboration among environmental and development agencies and organizations is managed, coordinated, enhanced and intensified, at the global as well as national and regional levels. Indicators/Outputs • Platform or mechanisms functioning which permits collaboration among development and environmental agencies and organizations working in fisheries • Annual internal	Component 1. Enhancing and strengthening the capacity of key stakeholders for improved fisheries governance of coastal fisheries Outcome 1. Improved enabling conditions for fisheries governance in eight coastal fisheries of Ecuador and Peru. 1.1. Improved and updated Ecuador's PAN dorado with strengthened governance arrangements 1.2. Improved and updated Ecuador's PAN pomada with strengthened governance arrangements 1.3. New Ecuador's provincial action plan for concha 1.4. New Ecuador's PAN cangrejo 1.5. New Ecuador's PAN atún con caña	Outcome 1.1 National fisheries policies, strategies and actions are coherent and effective • EAF is referred to as the approach for fisheries management and development in relevant policy and strategy documents and implementation plans follow EAF principles. • Information on how coastal fisheries contribute to overall national development goals exists and is shared among national and local institutions and development partners. • Fisheries policies and strategies are more coherent and new projects and programmes refer to common priorities	<i>Component A Outcome 1. Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management</i>	

		<p>review by partners rate coordination efforts as satisfactory or highly satisfactory</p> <ul style="list-style-type: none"> <li>• Independent midterm review and terminal evaluation of the CFI rate progress towards CFI objective as satisfactory or highly satisfactory</li> <li>• At least 3 new national and/or regional and/or global project/program proposals by GEF Agencies, other partners and governments are based on CFI best practices and include strong collaboration between different GEF agencies and other partners</li> </ul> <p>Outcome 1.2: Progress of CFI Program is systematically monitored and reported.</p> <p>Indicators/Outputs</p> <ul style="list-style-type: none"> <li>• <b>CFI M&amp;E system defined and operational</b></li> <li>• <b>Reports and evaluations published on schedule;</b></li> <li>• <b>Annual review</b></li> </ul>	<p>1.6. Updated regulations for concha and cangrejo in Peru</p> <p>1.7. Strategic plan to strengthen fisheries governance and management in regional governments of Peru</p> <p>Component 2. Test methods and tools for coastal and marine spatial planning</p> <p>Outcome 2. Improved enabling conditions for coastal and marine spatial planning in Ecuador and Peru.</p> <p>2.1. Marine and coastal spatial plan for the northern Gulf of Guayaquil (Ecuador)</p> <p>2.2. Marine and coastal spatial plan for Sechura bay (Peru)</p> <p>2.3. Lessons from the use of the Ocean Health Index in Ecuador and Peru.</p>			
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		<p><i>meetings (GSC GRG etc) monitor and guide Programme performance</i></p> <ul style="list-style-type: none"> <li>• Programme and projects are well managed and addressing risks and challenges</li> </ul>				
	a.2) The SSF Guidelines are reflected in national policy in at least XX CFI countries.			<p>Outcome 1.1 National fisheries policies, strategies and actions are coherent and effective</p> <ul style="list-style-type: none"> <li>• The intention to implement relevant international instruments, including the SSF Guidelines, is explicitly mentioned in policy statements.</li> </ul>	<p>Component B Outcome 1. Improved planning and management of MPAs for cross-sectoral collaboration in place as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches.</p>	
	b) At least XX MPAs in the CFI geographies have functioning multiple use legally recognised co-management plans (including protection of vulnerable habitats and marine ecosystems) and are integrated into broader fisheries management/EAF(M) frameworks.		<p>b) At least 2 MPAs in the CFI geographies have functioning multiple use legally recognised co-management plans (including protection of vulnerable habitats and marine ecosystems) and are integrated into broader fisheries management/EAF(M) frameworks. [note: Reserva Ecológica Manglares Churute in Ecuador, Santuario</p>			

			Nacional Manglares de Tumbes in Peru]			
	d) The capacity of XX fishers, fish workers and local and national government staff (XX men and XX women) strengthened through training (formal and on-the-job) on key topics related to, among other things, EAF(M) and co-management (identified through needs assessments) in XX CFI countries.		d) The capacity of 1,500 fishers, fish workers and local and national government staff (1,050 men and 450 women) strengthened through training (formal and on-the-job) on key topics related to, among other things, EAF(M) and co-management (identified through needs assessments) in 2 CFI countries. At least 400 people (50% women) have been trained (formal, non-formal and on-the-job) on methods and tools for coastal and marine spatial planning and the calculation and use of the ocean health index.	Outcome 1.3 • XX fishers and fish workers (men/women) benefit from improved natural resources management through improved incomes and/or other perceived livelihood improvements. • XX fishers and fish workers (men/women) actively participate in decision-making processes related to coastal fisheries management and development.	Component 1 Outcome 4. Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches.	

<p>PROGRAMME COMPONENT 3: Best practices, collaboration and performance assessment</p>	<p>Outcome 3: a.1) Best practices are shared through IW:LEARN activities and other learning mechanisms.</p>	<p>Component 2: Promotion of Policy Influence and Catalytic Role; Outcome 2.1: Best practices and tools for environmentally, socially and economically sustainable fisheries are document-ed, analysed and shared. Indicators/Outputs <i>4 technical documents on selected topics prepared and disseminated through IW:LEARN activities and other learning mechanisms; 4 global workshops carried out targeting key government officials, RFBs and staff of environmental/development agencies and organisations and to promote a shared understanding on key fisheries governance and management concepts; 6 countries / regional organisations refer to CFI best</i></p>	<p>At least 3,000 people (50% women) have participated in events for dissemination of lessons and best practice (e.g., workshops, study tours, seminars, IWC) At least 4,000 visits/month (annual average) and 3,200 unique visits/month (annual average) recorded in the network of electronic platforms used to disseminate project learnings and best practice. Achieved through:</p> <p>Component 3. Knowledge Management and M&amp;E; Outcome 3. Lessons and best practice on improved fisheries governance and coastal and marine spatial planning have been shared with stakeholders within each country, among both countries and with global partners of the CFI Programme.</p> <p>Contributing Intermediate outputs: 1.6.1. Memoir of the trial of community managed mangrove areas inside the Santuario Nacional Manglares de Tumbes</p>	<p>Outcome 3.1</p> <ul style="list-style-type: none"> <li>• Consolidated lessons learnt on key subject matters (as identified and agreed by the CFI Program partners) have been communicated within the CFI programme</li> </ul>	<p>Component D: Outcome 2. Existing and new data and information management systems established, maintained and updated so that information is secure and available.</p>	<p>Pillar 3: a robust knowledge sharing and learning to anchor the knowledge work generated across the entire project, starting with a highly targeted outreach, communication, and coordination strategy; a project-specific communication strategy and a M&amp;E protocol will be put in place; a flagship report on enabling private sector investment in responsible fisheries, which will synthesize lessons learned and will be actively disseminated</p>
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		<p><i>practices (in national and regional policies and strategies and are under implementation, as appropriate; 3 south-south learning exchanges through field visits and other learning events;</i></p> <p>Outcome 2.2: CFI Program Communication and Outreach Strategy is established and operational. Indicators/Outputs <i>Communications Team for CFI Program is established, composed of communications specialists from CFI Agencies CFI Web Portal functioning and regularly updated GRG effective as CFI ambassadors as indicated by web references to CFI,</i></p>	<p>and it's buffer zone</p> <p>1.6.2. Lessons and recommendations of Tumbes' "mesa técnica de recursos bentónicos"</p> <p>1.6.9. Memoir of two-year operation to strengthen Tumbes' Regional Government capacities to control and oversee the concha and cangrejo fisheries</p> <p>1.7.3. Document on lessons and recommendations from the trial testing on strengthening regional government capacities to administer artisanal fisheries</p> <p>2.1.4. Document on lessons and recommendations from the participatory planning process</p> <p>2.2.4. Memoir of practical exercises to gain experience and support to coastal and marine spatial planning</p> <p>2.2.5. Document on lessons and recommendations from the participatory planning process</p> <p>2.2.12. Memoir of priority interventions to conserve the Estuario de Virrilá</p> <p>2.3 Lessons from the use of the Ocean Health Index in Ecuador and Peru.</p>			
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	<p>a.2) At least XX new national and/or regional project/programme proposals by GEF Agencies, other partners and governments are based on CFI best practices and include strong collaboration between different GEF Agencies and other partners.</p>			<p>Outcome 3.1: Knowledge generated and results achieved are communicated and shared with local, national and regional partners</p> <ul style="list-style-type: none"> <li>• Key messages based on project experiences are taken up by relevant regional organisations and are reflected in their policy statements.</li> </ul>	<p>Component D Outcome 3. EAFM information for coastal fisheries management available and disseminated in the respective FMAs.</p>	<p>Pillar 1B identify the level of interest among financial regulators and investors in these countries to improve their understanding of the key elements of investment in capture fisheries; and, as feasible, increase their capacity to ensure that investments reinforce sustainability.</p>
	<p>b.1) All fisheries/value chains supported through CFI are assessed by agreed performance evaluation system and information is available on key environmental, economic and social aspects.</p>	<p>Component 3: Establishment of a Fisheries Performance Assessment Instrument.</p> <p>Outcome 3.1: FPAI is developed based on existing tools for both CFI and non-CFI fisheries</p> <p>Indicators/Outputs:</p> <ol style="list-style-type: none"> <li>1. FPAI developed</li> <li>2. Pilot test for CFI and non-CFI fisheries are completed</li> <li>3. Training and capacity building program for using the FPAI carried out</li> </ol> <p>Outcome 2.1: FPAI disseminated widely through IW:Learn platforms and shared at 4</p>			<p>Component D Outcome 1. Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718.</p>	<p>Pillar 2A widely publicize the opportunity for project developers and stakeholders interested in raising private financing to access IAF support, along with relevant data and documentation requirements. Advisory assistance will be extended to the applicants by conducting stock assessments, compiling fishery performance indicators, conducting enterprise financial and performance diagnostics, and conducting market analysis, among others</p>

		knowledge sharing events				
	b.2) CFI best practices reflected in relevant fisheries polices and strategies in at least XX CFI countries.					
				Outcome 3.2: A functional project M&E system is in place <ul style="list-style-type: none"> <li>• The project is successfully implemented and receive good ratings by evaluators.</li> </ul>		

## CFI Programme Potential Theory of Change Indicators

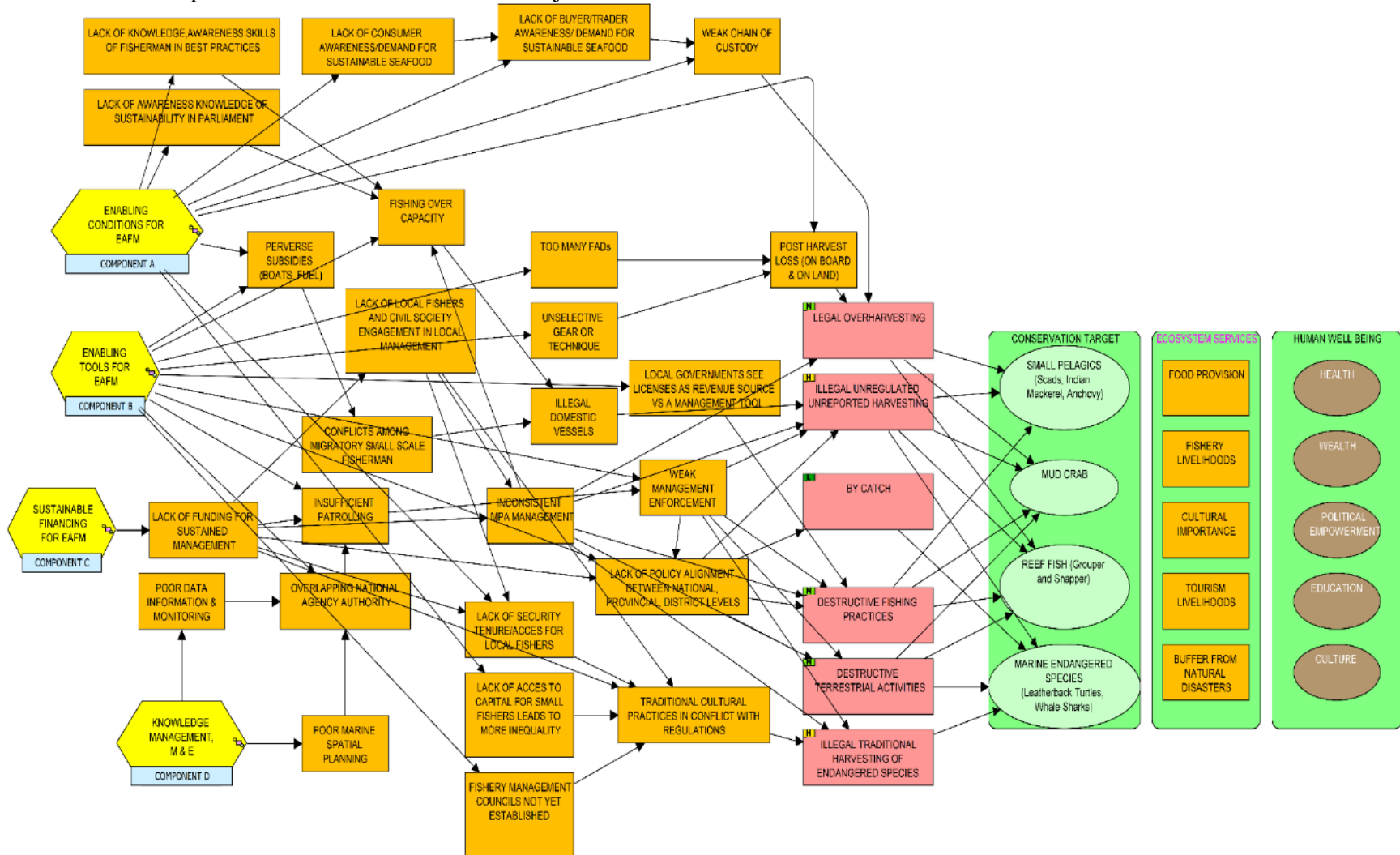
Each child project will be responsible (including funding) for measuring the indicators (see below), while the Global Partnership will collate and where feasible synthesize and analyse the results across the other 4 child projects and report the findings through the Communication Group and other channels. Potential Theory of Change indicators are listed below; the final selection of 1 to 3 in each theme for Tier 1 and Tier 2 will be determined during project inception.

<b>CFI Programme Potential Theory of Change Indicators</b>	
<b><i>Tier 1 Enabling Conditions</i></b>	
Fisheries Stakeholder	Fishers, fishworkers & fisheries-related business & groups support CFI goals & practices
	Fishers, fishworkers & fisheries-related business & groups view governance mechanisms as transparent & equitable.
Concerned Institutions	Fishers, fishworkers & fisheries-related business & groups participate in rule definition
	Legal framework and governmental procedures incorporate CFI goals and practices
CFI Partner Collaboration	CFI partners agree on common (generic) indicators for tracking CFI initiatives that follow the expanded CFI Theory of Change (TOC).
	Women's issues and perspectives are recognized as important by CFI partners
<b><i>Tier 2 Behavioral Change</i></b>	
Fisheries Stakeholder	Regular collaboration & dialogue between CFI agencies & fisheries stakeholders .
	Fishers & fishworkers initiating new or improved forms of economic activity
Concerned Institutions	Enforcement of CFI-supported rules & regulations is effective
	Evidence of stakeholders participating in decision-making through collective choice / representative mechanisms
CFI Partner Collaboration	Regular collaboration & dialogue between CFI agencies, partner institutions & fisheries stakeholders.
	Linkages & cooperation with regional & global fisheries management projects, programs & mechanisms active



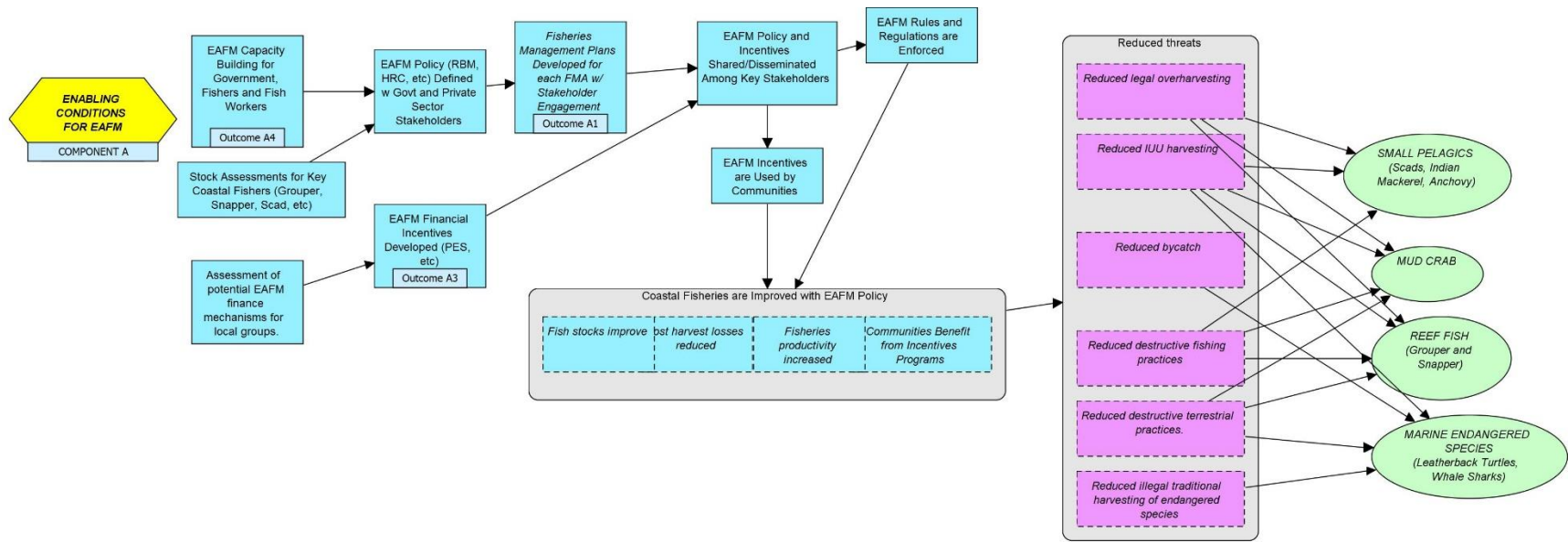
# APPENDIX 4: CFI Indonesia Child Project Conceptual Model and Results Chains

Below is the Conceptual Model for the CFI Indonesia Project

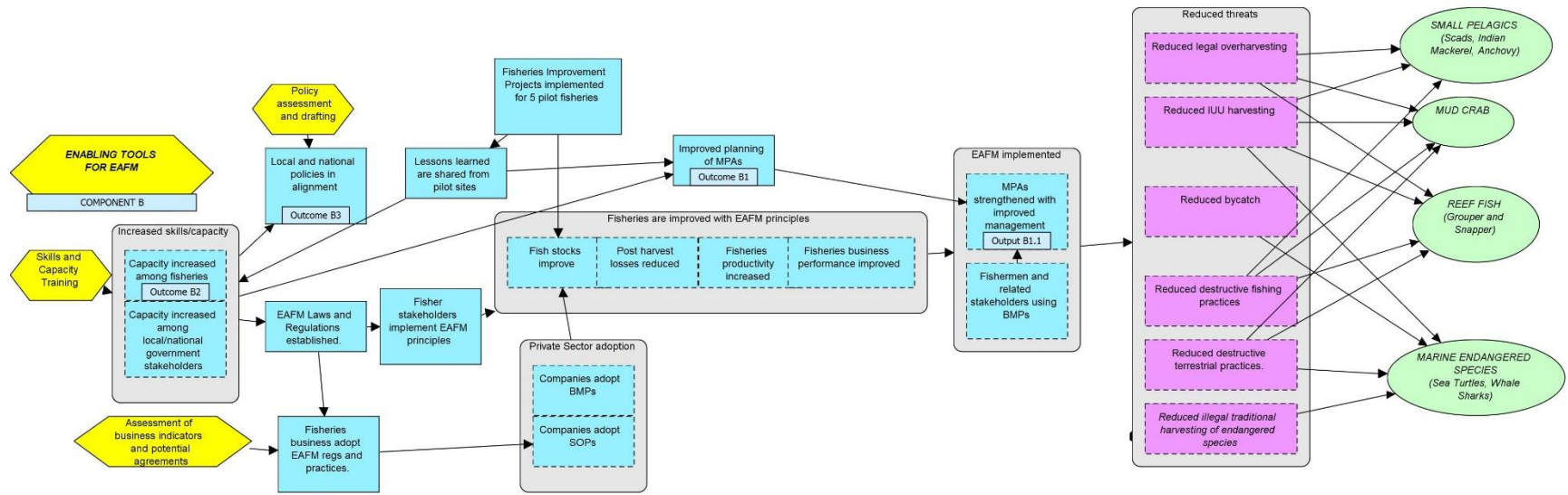


# CFI Indonesia Child Project Results Chains

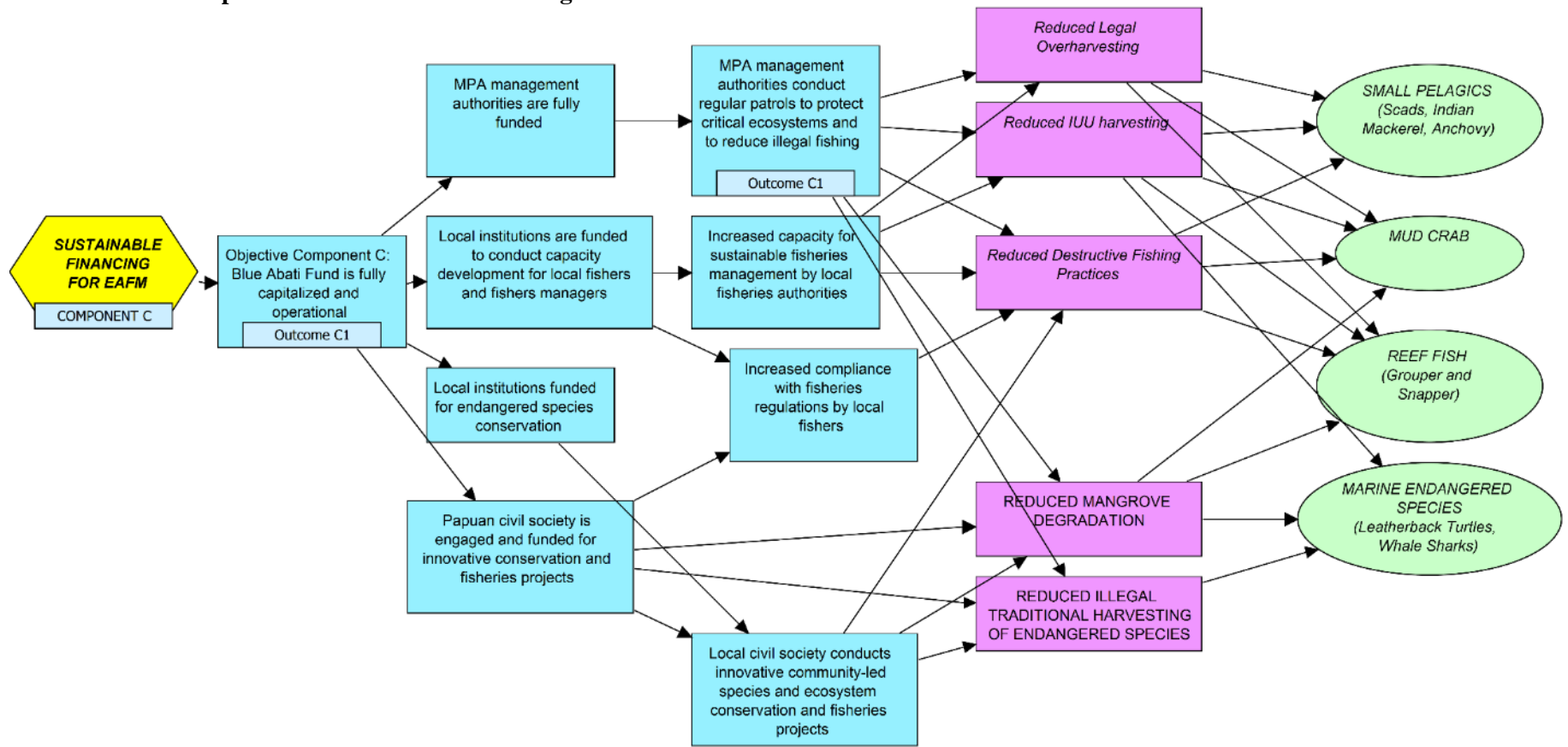
## CFI Indonesia Component A: Enabling Conditions for EAFM



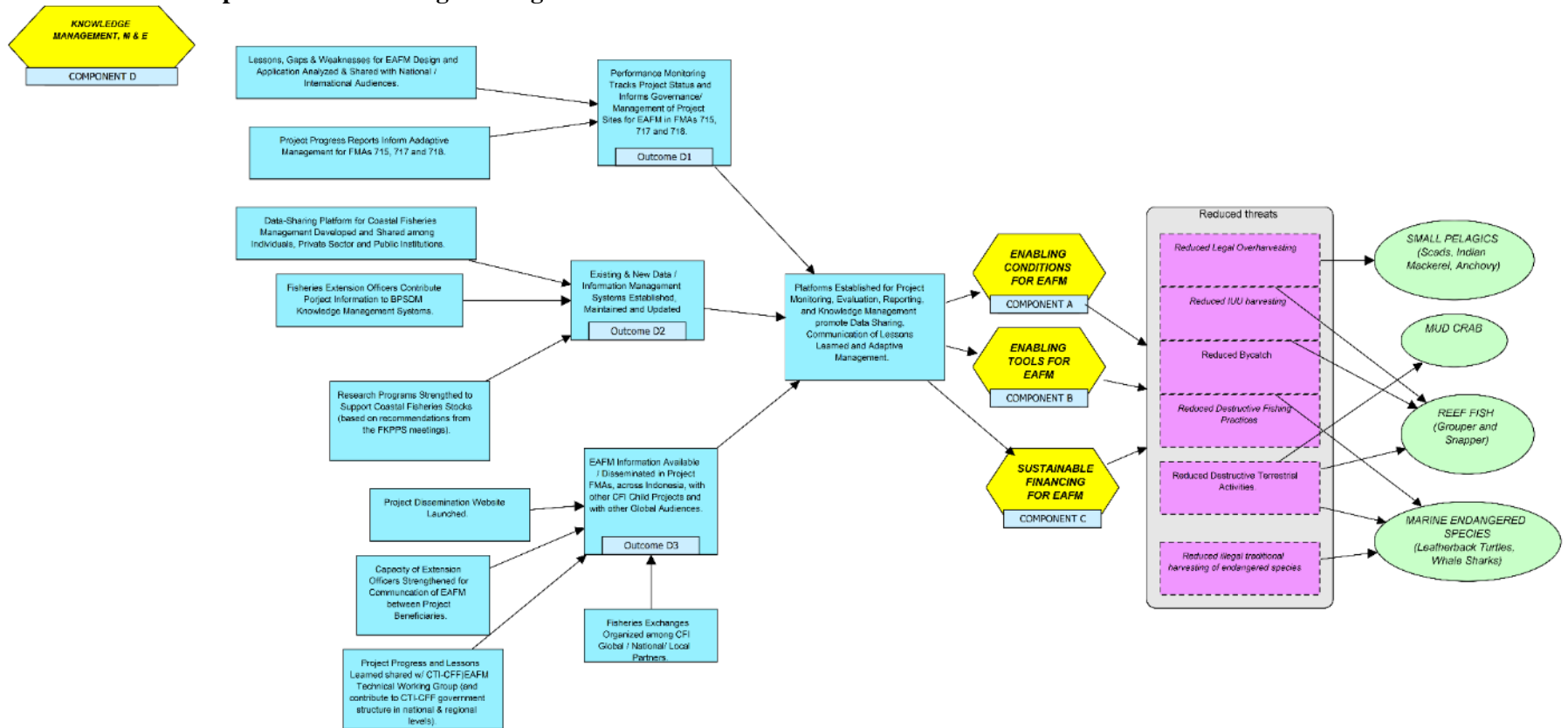
# CFI Indonesia Component B: Enabling Tools for EAFM



**CFI Indonesia Component C: Sustainable Financing for EAFM**



# CFI Indonesia Component D: Knowledge Management and M&E



## APPENDIX 5: Blue Abadi Governance, Financial Assumptions, Fundraising, Contingency and Monitoring Plan

### Appendix 5A: Blue Abadi Governance Structure

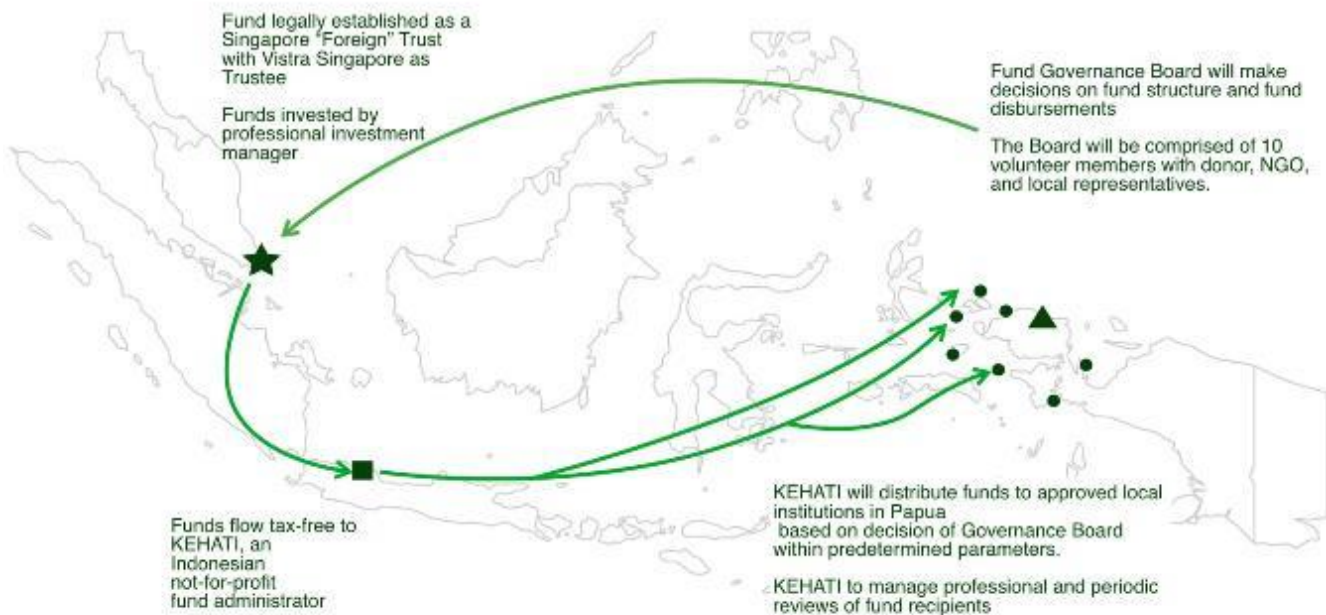
As described in Section 3.3, the Blue Abadi Fund has been carefully designed over a two year period by a multi-institutional team led by CI's Global Conservation Fund (GCF) and including TNC, WWF, and Starling Resources and with outside legal council. The fund has been developed in accordance with established best practices and standards for conservation trust funds as laid out by the Conservation Finance Alliance and is in compliance with the principles laid out in the GCF's internal standards, GCF Finance for Biodiversity Conservation Trust Funds: A Checklist. The Blue Abadi Fund will far exceed the 1:1 match required, with anticipated match of 1:10.

The Bird's Head Seascope coalition and the West Papua Government established a Papuan Advisory Council with high-ranking Papuan leaders to further advise on the fund development and to ensure the fund structure is locally appropriate and has necessary support and buy-in from Papuan government and communities.

The design for the fund structure was further informed by the results of a comprehensive legal options analysis prepared by GCF with legal advice from global and Indonesian law and tax firms (Appendix 5B). The options analysis evaluated legal and tax implications of various fund structures, aiming to (i) ensure low or no taxation on the fund, (ii) put in place robust and flexible governance structures led from Indonesia, and (iii) minimize administrative costs.

*Diagram of Blue Abadi Governance Structure*

### Governance Structure for the Blue Abadi Fund



The Blue Abadi Fund will be owned by Vistra Trust (Singapore) Pte. Limited (Trustee) as part of a Singapore "Foreign" Trust. Singapore was selected as the Trustee after exemplar performance as trustee on a comparable conservation trust fund established to support conservation in Cambodia. Vistra was selected for that role after a competitive bidding process in 2014 (results attached). Given the recent competitive bid process, comparability of



the two funds, and excellent performance to date, *Vistra* was selected to be the Blue Abadi Trustee. Funds will be invested by a professional investment manager selected through a competitive bidding process, currently underway.

The Trustee will take direction from a governance Fund Committee in Indonesia with 9 volunteer members, with the representation from the following stakeholders:

1. one member nominated by the Government of West Papua Province
2. one member nominated by the Government of Indonesia
3. one member of the Papuan Peoples Assembly (representing indigenous communities)
4. one member nominated by Walton Family Foundation
5. one member representing other major donors
6. one member nominated by CI
7. one member representing other Founding Partners (WWF-ID and TNC)
8. one member drawn from private sector
9. one member with financial investment expertise

Special consideration will be given to ensure adequate inclusion of members appointed by indigenous peoples and members of both genders, as outlined in [Section 6.3](#). Fund Committee members will serve in their personal capacity owing a duty of care to the Fund exercising their powers and discharging their duties with a reasonable degree of care and diligence.

The Fund Committee will be supported by three expert committees, including a science advisory committee, a Papuan advisory committee, and a financial advisory committee. The Fund Committee will make final decisions on instructing the Trustee regarding investment and expenditure of the Fund.

The Indonesian Biodiversity Foundation or Yayasan Keanekaragaman Hayati Indonesia (KEHATI) has been selected as the initial fund administrator for the Blue Abadi Fund as well as the Executing Agency for Component C of this project. The duties and responsibilities of the Administrator, including providing reporting, will be set out in a contract (the “Administrative Contract”) with the Blue Abadi Fund Trustee. Conservation International (CI) will have the right to direct the Trustee in ensuring that the Administrator performs its duties and responsibilities under the Administrative Contract.

## **Appendix 5B: Options Analysis for the Structure of the Blue Abadi Fund**

### Background

Indonesia’s Bird’s Head Seascape (BHS) is the global epicenter of marine biodiversity and the foundation of livelihoods and food security for diverse indigenous communities. Yet these ecosystems and the communities that depend on them are under threat as pressure builds to exploit Papua’s rich natural resources.

Over the past decade, a global coalition has built an elective model of community-driven conservation across the seascape, revitalizing traditional management practices and local ownership rights while safeguarding the health of Papua’s extraordinary marine ecosystems. There is now the opportunity to secure a lasting legacy for the BHS, one in which Papuans themselves take ownership of the seascape and use it as a platform for sustainable development.



To support this vision, partners and investors from the private sector, public agencies, and the philanthropic community are being sought to capitalize a \$38 million endowment<sup>16</sup> as part of a fund (the “Blue Abadi Fund” or “Fund”) to provide long-term recurring funding to marine protected area management authorities and critical local conservation partners in the BHS. The endowment is expected to generate ~\$1.4M annually which will complement \$4.9M annually in local sustainable revenue sources.

It is proposed that the Blue Abadi Fund will be capitalized in a single deal. Target date for close to be determined after first round of donor consultation.

It is anticipated that financing from the Fund will be disbursed only to local institutions based on pre-established prioritization criteria and contingent upon:

- Matching commitments
- Performance
- Financial Transparency

This paper provides an analysis of possible structuring options for the Fund. It does so primarily by exploring different options for the ownership and administration of the Fund. New and existing entities are considered for these various roles. This paper concludes that the Fund should be owned as part of a Singapore “foreign” Trust and ultimately be administered by a new Indonesian foundation (yayasan).

This paper was prepared by CI in partnership with a working group drawn from The Nature Conservancy, WWF-Indonesia and Starling Resources. Preliminary advice on options for Fund ownership outside of Indonesia has been provided by the global law firm White & Case LLP. Preliminary advice on Indonesian legal matters has been provided by the law firm, ABNR, Counselors at Law, who were selected as Indonesian counsel to advise on the establishment of the Fund, after a competitive bidding process. Preliminary advice on Indonesian tax matters has been provided by the tax firm, PT Pundi Stratejasa Indonesia, who were selected as Indonesian tax counsel to advise on the establishment of the Fund, after a competitive bidding process. A concept note was received from Yayasan Keanekaragaman Hayati Indonesia (KEHATI) / Indonesia Biodiversity Foundation, which informs the analysis of potentially engaging KEHATI to administer the Fund.

#### Roles in Managing a Fund for Financing Conservation Management

One or more legal entities will normally play each of the following roles in managing a fund which provides long-term recurring financing for conservation management activities:

- *Own* the fund and related accounts.
- *Govern* the use of the fund, including making final decisions regarding expenditure of the fund.
- *Administer* the day to day activities relating to the use of the fund in accordance with the decisions of the governing body, including the disbursement of fund assets to the third parties implementing conservation actions.
- *Invest* endowment or sinking funds<sup>17</sup>.

#### Assessment Criteria

Some key criteria to be considered in assessing the suitability of legal entities to play each role described above are as follows:

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<sup>16</sup> An Endowment fund can be characterized as a fund whose capital is invested in perpetuity, and whose investment income is to be spent for financing activities. Endowment funds are well suited for the long term financing of recurrent costs, since they are designed with the intent to deliver a steady stream of funding in perpetuity.

<sup>17</sup> Sinking Funds can be characterized as funds whose entire principal and investment income is spent for finance activities over a period of several years until it is completely depleted and thus sinks to zero. Sinking funds are well suited to finance activities over a longer term, where ongoing financing decisions are primarily made by the owner of the sinking funds, rather than by the donor that initially contributed the sinking fund capital.

### Ownership:

- Entity mission: How does the entity's mission align with the purpose of the Fund?
- Entity domicile: Is the entity domiciled in-country? How well developed are laws regulating the entity? Are there perception concerns with the country of domicile, including concerns that it is a tax haven?
- Transparency: Are there any legal requirements or organizational requirements for transparency?
- Ability to attract other donor and government funding: What is the potential for this option to attract funding from other donors?
- Tax treatment: Would the fund be subject to taxation due to ownership by the entity and transfers from the fund by the entity?
- Restrictions on Investing: Are there any legal or practical restrictions on investing the fund with sufficient quality investment options including options allowing for portfolio diversification?
- Restrictions on fund disbursements: Are there any legal or practical restrictions on the ability of the entity to make disbursements from the fund to potential recipients?
- Minimization of bankruptcy and political risk: Is there a substantial risk that the fund could be jeopardized in the event of the entity's bankruptcy? Is there a substantial risk that the fund could be subject to political risk?
- Costs: What are the costs of establishing the fund? What are the costs of maintaining the fund's existence?
- Effort required for establishment: What level of effort would be required to prepare the documentation and undertake required administrative actions to establish the entity.

### Governance:

- Does the governance structure allow for desired stakeholder representation in governance by including individuals from a variety of sectors (government, NGOs, business, academia, community)?
- Does the governance structure (including any special advisory bodies) allow for desired governance competencies and expertise, including to: make fund spending decisions; provide rigorous oversight and possess significant technical know-how and control to monitor the fund's financial performance; and attract other donor financing?
- Governance capacity building: What opportunities will there be to build in-country governance capacity for conservation financing?
- In-country presence: How strong is the in-country presence of the governance structure?
- Costs: What are the costs of establishing any new governance structures? What are the costs of maintaining an effective governance structure?

### Administration:

- Competencies and expertise: What are the competencies and expertise of the administrator, including in: 1) grant making; 2) fundraising and 3) monitoring and evaluation?
- Administrator capacity building: What opportunities will there be to build in-country administrative capacity for fund administration?
- Communications with third parties undertaking activities to be financed by the fund: What is the administrator's capacity to communicate regularly with third parties undertaking such activities?
- Tax treatment: Would transfers to and from the administrator be subject to taxation?
- Costs: Do administrative costs to adhere to industry standards for fund administration (<15%)? Are they controlled and monitored?
- Effort required for establishment: What level of effort would be required to prepare the documentation and undertake required administrative actions to establish fund administration.

### Investment:

- Investment return and risk: What levels of return could be expected and what level of risk would be involved from investing the fund?
- Currency Exchange Risk: Would there be any currency exchange risk involved in investing the fund?
- Costs: What costs would be associated with establishing the investment arrangements and retaining professional investment advisory services?

#### Analysis of Structuring Options for the Blue Abadi Fund.

The Blue Abadi Fund can be structured using different options of existing and new entities playing different roles. Building on the previous options assessment prepared by Mazars Starling in 2012, this options analysis will describe the most feasible options for the Fund and provide a rationale for choosing those options as being most feasible. For reasons described below, this paper will primarily assess 1) the best options for ownership of the Fund by a non-Indonesian domiciled entity and 2) the best options for administration of the Fund by an Indonesian domiciled entity. Each such Fund option will be analyzed according to the criteria for the applicable roles listed above.

#### Ownership:

After some initial analysis, the working group determined not to consider the option of an Indonesian domiciled entity owning the Fund. Ownership of the Fund by an Indonesian domiciled entity would result in tax, legal complexity and political issues. The most appropriate type of Indonesian domiciled entity that could own the Fund would be a foundation (*yayasan*). Although *yayasans* have preferred tax status under Indonesian law, they are not tax exempt and are subject to significant tax rates on their investment income. Since the endowment is meant to finance BHS management costs from investment income, significant taxation on endowment investment income makes ownership by an Indonesian domiciled entity unattractive. This is especially so since, as discussed below, there are many options for Fund ownership by a non-Indonesian domiciled entity which would subject Fund investment income to minimal or no taxation. KEHATI, which is being considered for the role of administering the Fund, does have special tax status that provides that its investment income is tax free. However, ownership of the Fund by KEHATI was not seen as an attractive option given that 1) KEHATI's mission and governance structure is not focused on BHS and 2) it would not be possible to transfer ownership of the Fund in the future to another suitable Indonesian domiciled entity that would have the same favorable tax status as KEHATI.

The working group does recognize that some potential domestic donors may be required or may prefer to contribute to a fund held by an Indonesian domiciled entity, notwithstanding that such a contribution could subject the investment income generated by such contribution to taxation. Such a domestically held fund could co-exist with an off-shore Blue Abadi Fund and steps could be taken to provide for communication and coordination between the domestic fund and the Blue Abadi Fund. Subject to further Indonesian tax advice, the domestic fund and the Blue Abadi Fund could be administered by the same entity so long as this would not be seen by the Indonesian tax authorities as evidencing a relationship of control between the two funds.

The working group, with advice from White & Case LLP, identified the following three options for Fund ownership: 1) a Singapore foreign trust, 2) a U.S. charitable trust and 2) a U.S. charitable corporation. Each option allows for low or no taxation on the Fund, permits robust and flexible governance structures and can be implemented at a reasonable cost. With all three ownership options, the Fund would ultimately be governed by either the Trustee's governing body or the board of the U.S. charitable corporation. However, a special Fund committee could be established to focus on the governance of the Fund. Both CI and TNC have successfully implemented Singapore foreign trust structures for other funds established to finance conservation in Indonesia. The U.S. charitable trust and charitable corporation options are also familiar to both CI and TNC and would be more familiar to U.S. based donors. The U.S. options also would provide tax advantages to certain types of U.S. donors, although achieving and maintaining tax favorable status for a U.S. charitable trust or charitable

corporation would be more complicated than for a Singapore foreign trust. A more detailed description and analysis of these three options is provided below.

### **Ownership Option 1- Singapore Foreign Trust**

Under this option, the Fund would be owned by a trustee as part of the Trust assets of a Singapore “foreign trust”. The trustee would be a licensed service provider in Singapore. Trust assets could include funds paid by CI or any third party to the trustee for the purpose of funding the Blue Abadi Fund endowment account and any related investments income. A trust deed would contain provisions on the management of the Singapore foreign trust including on how trust assets are to be used.

A Fund committee domiciled in Indonesia could support the governance of the Singapore foreign trust and direct the trustee regarding the use of the trust assets. Day-to-day operations of the Singapore foreign trust could be undertaken by an administrator domiciled in Indonesia.

On the assumption that the settlors and beneficiaries of the trust are non-Singapore based foreigners and the trust assets are invested overseas, the trust would be likely to qualify for the Foreign Tax Exemption applicable to “foreign trusts” under section 13(G) of the Singapore Income Tax Act and therefore be tax free.

The following table assesses the Singapore foreign trust option against each of the criteria which are expected to be important for the ownership of a successful Blue Abadi Fund, as described above:

Ownership Criteria	Advantages	Disadvantages
<b>Mission Alignment with the Endowment</b>	<ul style="list-style-type: none"> <li>The Fund’s purpose could be specifically stated in the trust deed.</li> </ul>	
<b>Well Developed Laws Regulating the Entity</b>	<ul style="list-style-type: none"> <li>Singapore has well developed trust laws.</li> </ul>	
<b>Perception Concerns</b>	<ul style="list-style-type: none"> <li>Singapore had been perceived as a tax haven in previous years.</li> </ul>	
<b>Transparency</b>	<ul style="list-style-type: none"> <li>The trustee must keep accounts and render annual returns of accounts, in accordance with requirements set out under the trust deed.</li> </ul>	
<b>Ability to Attract Funding</b>		<ul style="list-style-type: none"> <li>U.S. persons would not be entitled to U.S. tax deductions for contributions to the Singapore trust.</li> <li>May need to secure U.S. tax exempt equivalency to receive donations directly from a U.S. Foundation such as WFF which could require both time (several months) and expense and may not be attainable if Trust does not receive funds from a sufficient number of public sources.</li> </ul>
<b>Tax Treatment</b>	<ul style="list-style-type: none"> <li>A Singapore foreign trust would likely qualify for a Foreign Trust Exemption under Singapore Law and therefore be tax free. A licensed trustee company would be able to assist with the necessary filings and regulatory declarations.</li> </ul>	
<b>Restrictions on Investing</b>		<ul style="list-style-type: none"> <li>A Singapore foreign trust would be restricted from making certain investments in Singapore.</li> </ul>
<b>Restrictions on Proposed Governance</b>	<ul style="list-style-type: none"> <li>The proposal to have an Indonesia-based Fund committee is permitted under Singapore law and such committee could consist of members having the necessary expertise to make funding decisions and monitor the Singapore trust’s financial performance.</li> </ul>	
<b>Ability to Fund an Indonesia Administrator</b>	<ul style="list-style-type: none"> <li>The proposal to have the assets of the Singapore foreign trust administered by a <i>yayasan</i> based in Indonesia is permitted under Singapore law.</li> </ul>	
<b>Bankruptcy/Political Risk</b>		

<b>Costs</b>	<ul style="list-style-type: none"> <li>• Bankruptcy of the trustee would not put the Blue Abadi Fund Assets at risk; Fund Assets would be transferred to another trustee.</li> <li>• No perceived political risk.</li> <li>• CI has previously negotiated for relatively low establishment and annual administration fees with Singapore trustee companies.<sup>18</sup></li> </ul>
<b>Effort Required for Establishment</b>	<ul style="list-style-type: none"> <li>• Establishment of the Singapore foreign trust structure is one which CI is familiar with and the documentation and administration of the set-up would be fairly straightforward.</li> </ul>

### **Ownership Option 2 – U.S. Charitable Trust**

Under this option, the Fund would be owned by a trustee as part of the Trust assets of a charitable trust established under the laws of a U.S. State. The U.S. charitable trust could be established in a State such as Delaware which has no State filing requirements. The trustee would be a U.S. licensed trust company. Trust assets could include funds paid by CI or any third party to the trustee for the purpose of funding the Blue Abadi Fund endowment account and any related investments income. A trust deed would contain provisions on the management of the U.S. charitable trust including on how trust assets are to be used.

A Fund committee domiciled in Indonesia could support the governance of the U.S. charitable trust and direct the trustee regarding the use of the trust assets. Day-to-day operations of the U.S. charitable trust could be undertaken by an administrator domiciled in Indonesia. However, the trust deed would have to be clear that only the trustee has the authority to prepare and file all necessary reports, without direction from the Fund committee. In order for the U.S. charitable trust to have such governance and administration, it would have to be organized in a U.S. state that allows for so-called “directed trusts” (such as Delaware). In a “directed trust” the trustee has no responsibility or liability for the trust’s investments.

The trustee would seek to obtain tax exempt status for the U.S. charitable trust. Its administration would therefore be subject to oversight by the U.S. Internal Revenue Service (“**IRS**”). This will require the filing of an annual tax return with the IRS. Obtaining tax-exempt status is a lengthy process that can take up to one year.

The following table assesses the U.S. charitable trust option against each of the criteria which are expected to be important for the ownership of a successful Blue Abadi Fund, as described above:

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<sup>18</sup> Singapore trustee fees recently negotiated for another CI project were USD 15k for the establishment fee and USD 13k for annual administrative fees; CI has worked on other projects where annual administrative fees were USD 50k.

Ownership Criteria	Advantages	Disadvantages
<b>Mission Alignment with the Endowment</b>	<ul style="list-style-type: none"> <li>The Fund’s purpose could be specifically stated in the trust deed.</li> </ul>	
<b>Well Developed Laws Regulating the Entity</b>	<ul style="list-style-type: none"> <li>The U.S. has well developed trust laws.</li> </ul>	
<b>Perception Concerns</b>	<ul style="list-style-type: none"> <li>None.</li> </ul>	
<b>Transparency</b>	<ul style="list-style-type: none"> <li>The trustee must keep accounts and render annual returns of accounts, in accordance with requirements set out under the trust deed; Trustee must also provide annual accounting to US tax authorities.</li> </ul>	
<b>Ability to Attract Funding</b>	<ul style="list-style-type: none"> <li>U.S. donors would generally be entitled to claim deductions for U.S. income tax purposes for their charitable contributions to the U.S. trust.</li> </ul>	
<b>Tax Treatment</b>	<ul style="list-style-type: none"> <li>Trust could be structured as a public charity or a supporting organization of an existing public charity and therefore not subject to taxation; otherwise would only pay a small tax (2%) on its investment income (with all administration expenses being tax deductible).</li> </ul>	<ul style="list-style-type: none"> <li>The administration of the U.S. charitable trust would be subject to oversight by the IRS. This will require the filing of an annual tax return with the IRS.</li> <li>Obtaining tax-exempt status is a lengthy process that can take up to one year.</li> </ul>
<b>Restrictions on Investing</b>		<ul style="list-style-type: none"> <li>Trust investments cannot be so risky as to jeopardize the trust’s ability to carry out its purposes. Also, there can be no “self-dealing” transactions (purchases and sales between the trust and its managers, etc.).</li> </ul>
<b>Restrictions on Proposed Governance</b>	<ul style="list-style-type: none"> <li>An Indonesia-based Fund committee could support the governance of a “directed trust” and direct the trustee regarding the use of the trust assets.</li> </ul>	
<b>Ability to Fund an Indonesia Administrator</b>	<ul style="list-style-type: none"> <li>Day-to-day operations of a “directed trust” could be undertaken by an administrator domiciled in Indonesia.</li> </ul>	
<b>Bankruptcy/Political Risk</b>	<ul style="list-style-type: none"> <li>Bankruptcy of the trustee would not put the Blue Abadi Fund Assets at risk; Fund Assets would be transferred to another trustee.</li> <li>No perceived political risk.</li> </ul>	<ul style="list-style-type: none"> <li>Even with a directed trust, some actions must be performed by the trustee in the state of domicile. However, the trust deed would enumerate those actions.</li> </ul>
<b>Costs</b>		
<b>Effort Required for Establishment</b>	<ul style="list-style-type: none"> <li>The trustee’s fees are usually low with a “directed trust”.</li> <li>Establishment of a U.S. charitable trust structure is one which CI is familiar with and the documentation and</li> </ul>	



administration of the set-up would be fairly straightforward.

### Ownership Option 3 – U.S. Charitable Corporation

Under this option, the Fund would be owned by a charitable corporation established under the laws of a U.S. State. The U.S. charitable corporation could be established in a State such as Delaware which has no State filing requirements. The U.S. charitable corporation would require a certificate of incorporation, by-laws, initial resolutions, etc. which would contain provisions on its governance, including on how the Fund’s assets would be used. Its assets could include funds granted by CI or any third party to the U.S. charitable corporation for the purpose of funding the Blue Abadi Fund endowment account and any related investments income.

The directors of the U.S. charitable corporation would govern the corporation including the use of the Fund assets. The corporate by-laws would set out the powers and responsibilities of the directors but could also establish several committees and delegate specific responsibilities to each committee. There is no requirement that a U.S. charitable corporation have U.S. resident directors, so the directors could be domiciled in Indonesia. Day-to-day operations of the U.S. charitable corporation could be undertaken by an administrator domiciled in Indonesia. Administrative arrangements would be easier to implement with a U.S. charitable corporation than with a trust structure since the corporation would contract directly with the administrator, whereas a Fund committee needs to instruct a trustee to contract with an administrator.

The U.S. charitable corporation would seek to obtain tax exempt status. Its administration would therefore be subject to oversight by the IRS. This will require the filing of an annual tax return with the IRS. Obtaining tax-exempt status is a lengthy process that can take up to one year.

The following table assesses the U.S. charitable corporation option against each of the criteria which are expected to be important for the ownership of a successful Blue Abadi Fund, as described above:

Ownership Criteria	Advantages	Disadvantages
<b>Mission Alignment with the Endowment</b>	<ul style="list-style-type: none"> <li>The Fund’s purpose could be specifically stated in the corporation’s by-laws</li> </ul>	
<b>Well Developed Laws Regulating the Entity</b>	<ul style="list-style-type: none"> <li>The U.S. has well developed corporate laws.</li> </ul>	
<b>Perception Concerns</b>	<ul style="list-style-type: none"> <li>None.</li> </ul>	
<b>Transparency</b>	<ul style="list-style-type: none"> <li>The by-laws could provide for transparent procedures.</li> </ul>	
<b>Ability to Attract Funding</b>	<ul style="list-style-type: none"> <li>U.S. donors would generally be entitled to claim deductions for U.S. income tax purposes for their charitable contributions to the U.S. charitable corporation.</li> </ul>	
<b>Tax Treatment</b>	<ul style="list-style-type: none"> <li>Trust could be structured as a public charity or a supporting organization of an existing public charity and therefore not subject to taxation; otherwise would only pay a small tax (2%) on its</li> </ul>	<ul style="list-style-type: none"> <li>The administration of the U.S. charitable corporation would be subject to oversight by the IRS. This will require the filing of an annual tax return with the IRS.</li> <li>Obtaining tax-exempt status is a lengthy process that can take up to one year.</li> </ul>

<b>Restrictions on Investing</b>	investment income (with all administration expenses being tax deductible).	<ul style="list-style-type: none"> <li>Charitable corporation investments cannot be so risky as to jeopardize the corporation's ability to carry out its purposes. Also, there can be no "self-dealing" transactions (purchases and sales between the corporation and its managers, etc.).</li> </ul>
<b>Restrictions on Proposed Governance</b>	<ul style="list-style-type: none"> <li>The directors of the U.S. charitable corporation would govern the corporation. This is more straightforward than shared governance between a trustee and a Fund committee.</li> <li>There is no requirement for U.S. resident directors, so the directors could be domiciled in Indonesia.</li> </ul>	
<b>Ability to Fund an Indonesia Administrator</b>	<ul style="list-style-type: none"> <li>Day-to-day operations of the corporation could be undertaken by an administrator domiciled in Indonesia.</li> <li>Direct implementation between a U.S. charitable corporation and the administrator is easier than with a trust structure.</li> </ul>	
<b>Bankruptcy/Political Risk</b>	<ul style="list-style-type: none"> <li>U.S. charitable corporation could be designed to be bankruptcy remote by limiting the corporation's ability to incur liabilities.</li> <li>No perceived political risk.</li> </ul>	
<b>Costs</b>	<ul style="list-style-type: none"> <li>The U.S. charitable corporation would not have to pay annual trustee fees but would likely pay a fee to a service provider to file annual tax return with the IRS. Such fees would presumably be less than annual trustee fees.</li> </ul>	
<b>Effort Required for Establishment</b>	<ul style="list-style-type: none"> <li>Establishing a U.S. charitable corporation will involve more preliminary work than establishing a trust. Creating a trust requires only the execution of a trust agreement. Creating a charitable corporation requires a certificate of incorporation, by-laws, initial resolutions, etc.</li> </ul>	

**Conclusion on Governance Options:**

CI concludes that the Fund should be owned as part of a Singapore "foreign" Trust. Our preference for ownership by a Singapore "foreign" Trust is based on the assumption that significant funds will not be contributed directly to the Trust by a U.S. foundation, since such a contribution would likely be prohibited by U.S. law. U.S.

foundations such as the Walton Family Foundation could grant endowment funds to CI who could then contribute the funds to the Trust.

All three ownership options would be assessed equally with respect to certain key criteria. They all offer the possibility of tax free ownership. Individuals domiciled in Indonesia could play a leading role in the governance of all three options and governance could be designed in a similar way for all three options. They all would allow for day-to-day operations of the Fund to be undertaken by an administrator domiciled in Indonesia. They all have similarly low annual costs.

A key advantage to the Singapore foreign trust structure that has been expressed by Indonesian stakeholders is familiarity with the structure since it has been used to establish other Indonesian conservation trust funds. The documentation and administration of the set-up would be easier than for the two U.S. structures, especially the U.S. charitable corporation structure. Obtaining tax-exempt status is a quick and simple process for a Singapore foreign trust whereas it is a relatively complicated process that can take up to one year for the two U.S. structures. The U.S. structures would require the filing of an annual tax return with the IRS whereas there is no similar requirement for a Singapore foreign trust. The U.S. structures could result in the assessment of a small tax (2%) on the Fund's investment income whereas the Singapore foreign trust will be tax free.

A key disadvantage to the Singapore foreign trust structure is that it would not provide tax advantages to certain types of U.S. donors which advantages would be available with the two U.S. structures. These advantages are available mostly to non-tax exempt US persons but are not available to US foundations such as the Walton Family Foundation, since foundations are already mostly tax exempt. Unless it is anticipated that significant donations may be received from non-tax exempt US persons, the key advantages stated above for the Singapore foreign trust structure outweigh this key disadvantage.

#### Governance:

With the first two ownership options assessed above, the Fund would ultimately be governed by the Trustee's governing body. However, given that the Trustee's governing bodies would not be designed specifically for governing the Fund, a special Fund committee could be established to focus on the governance of the Fund. With the third option, the board of directors of the U.S. charitable corporation would govern the Fund. The governance role for the Fund would include 1) approving budget and work plans for the use of the Fund's assets, 2) directing the Fund owner to make grants of Fund assets to the administrator who would then sub-grant such assets to other parties undertaking BHS conservation activities, 3) undertaking strategic planning for the Fund and 4) overseeing the investment management of the Fund.

The Fund committee or board of directors of the U.S. charitable corporation would adequately represent stakeholders and could include representatives from Indonesia but also could include representatives from the US and other countries. The Fund committee or board of directors of the U.S. charitable corporation could be established to align well with the governance assessment criteria set out earlier in this paper. The Fund committee or board of directors of the U.S. charitable corporation could be designed in a similar way regardless of which assessed ownership option is selected or which assessed administrative option is selected.

#### Administration:

The Fund would require administrative support which would include 1) preparing budget and work plans for the use of the Fund's assets, 2) sub-granting Fund assets received from the Fund owner (on the direction of the Fund committee) to other parties undertaking BHS conservation activities and 3) otherwise complying with any written instructions from the Fund governing body.

The working group considered it important that, if feasible, the Fund be administered by an entity domiciled in Indonesia, so that the administrator would be close to the project and communicate effectively with appropriate stakeholders. The working group determined that there were no obvious impediments to having the Fund administered by an entity domiciled in Indonesia. Various options that have been identified for Fund

administration by an entity domiciled in Indonesia would allow for 1) desired competencies and expertise 2) opportunities to build in-country administrative capacity and 3) reasonable administrative costs.

The working group identified the following two options for Fund administration: 1) KEHATI and 2) a new Yayasan. Both CI and TNC have been involved in other projects where KEHATI is successfully administering funds established to finance conservation in Indonesia. Although other existing entities were considered as possible Fund administrators, no other existing entity was initially assessed as favorably as KEHATI. A new Yayasan specifically focused on administering the Fund was considered to have some advantages over an existing entity. A more detailed description and analysis of these two options is provided below. The working group has also discussed the possibility of having KEHATI act as the initial administrator while a new Yayasan is being established and is building its capacity and then having the administrative role pass to the new Yayasan.

**Administration Option 1- KEHATI**

Under this option, day-to-day operations of the Fund would be administered by KEHATI pursuant to the terms of an administrative contract.

The following table assesses the option of KEHATI acting as Fund administrator against each of the criteria which are expected to be important for the administration of a successful Blue Abadi Fund, as described above:

Administration Criteria	Advantages	Disadvantages
<b>Competencies and Expertise</b>	<ul style="list-style-type: none"> <li>• KEHATI has existing capacity and expertise in grant making, fundraising and monitoring and evaluation; KEHATI has previously acted as administrator for funds that were owned by Singapore Trustees.</li> </ul>	
<b>Administrator Capacity Building</b>		<ul style="list-style-type: none"> <li>• More limited potential for additional capacity building of administrative services in Indonesia as compared with establishing a new yayasan to administer the Fund.</li> <li>• KEHATI does not have grant making experience in West Papua.</li> </ul>
<b>Communications with Recipients of Fund Financing</b>	<ul style="list-style-type: none"> <li>• KEHATI has considerable experience in establishing procedures to effectively communicate with grantees.</li> </ul>	
<b>Tax Treatment</b>	<ul style="list-style-type: none"> <li>• Receipt of Fund assets by KEHATI and sub-grants to implementing stakeholders should not be subject to tax.<sup>19</sup></li> </ul>	
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Third party administrator fees if a third party administrator was retained; Administrative fee would be assessed on staff salaries and other expenses of KEHATI for the administering the Fund; such costs could be lower than for the new yayasan option since KEHATI</li> </ul>	

<sup>19</sup> This assumes that there is no “control connection” between the Fund and KEHATI; even so, Indonesian tax counsel cautions that the Indonesian tax authorities could “detect” a relationship between the Fund and KEHATI which could trigger arbitrary tax assessments. Such risk has existed for over 3 decades but intensified noticeably in 2015.

<b>Effort Required for Establishment</b>	<p>could leverage its existing resources; KEAHTI estimates that such costs will adhere to industry standards for conservation financing mechanisms (&lt;15%), controlled and monitored.</p> <ul style="list-style-type: none"> <li>• KEHATI would design Grant Manual Policies and Procedures for the Fund, hire a full time fund coordinator and establish a regional office. Administrative Agreement would also have to be negotiated. The level of effort required would be significantly less than if a new yayasan is established to be the administrator.</li> </ul>
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### Administration Option 2- New Yayasan

Under this option, day-to-day operations of the Fund would be administered by a new Yayasan pursuant to the terms of an administrative contract.

The following table assesses the option of a new Yayasan acting as Fund administrator against each of the criteria which are expected to be important for the administration of a successful Blue Abadi Fund, as described above:

Administration Criteria	Advantages	Disadvantages
<b>Competencies and Expertise</b>  <b>Administrator Capacity Building</b>  <b>Communications with Recipients of Fund Financing</b>  <b>Tax Treatment</b>  <b>Costs</b>	<ul style="list-style-type: none"> <li>• Building the yayasan’s own administrative capacity from the ground up for a new entity provides the possibility of greater stakeholder involvement in the design of administrative activities.</li> <li>• Considerable potential for capacity building of administrative services.</li> <li>• A new yayasan could recruit staff with experience in communicating with grantees.</li> <li>• Receipt of Fund assets by a new yayasan and sub-grants to implementing stakeholders should not be subject to tax.<sup>20</sup></li> </ul>	<ul style="list-style-type: none"> <li>• The new yayasan will have to recruit staff with the right competencies. Building administrative expertise will take time, such as the training of staff and development of operational procedures and documents.</li> </ul> <p>Administrative costs would be assessed on staff salaries and other expenses of the new Yayasan for the administering the Fund;</p>

<sup>20</sup> This assumes that there is no “control connection” between the Fund and the new Yayasan; even so, Indonesian tax counsel cautions that the Indonesian tax authorities could “detect” a relationship between the Fund and the new Yayasan which could trigger arbitrary tax assessments. Such risk has existed for over 3 decades but intensified noticeably in 2015.

<p><b>Effort Required for Establishment</b></p>		<p>Cost of setting up the new yayasan would also have to be considered.<sup>21</sup></p> <p>In addition to designing grant policies and procedures, establishing an office and negotiating an Administrative Agreement, a new yayasan would have to be established. This would require drafting all governance documents and recruiting the three levels of governance of the Yayasan. Administrative staff would also have to be hired.</p>
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**Conclusion on Administration Options:**

CI has concluded that the Blue Abadi Fund should ultimately be administered by a new Indonesian foundation (Yayasan) to be based in Papua, with KEHATI acting as the initial administrator until the point at which a new Papuan foundation has the experience and capacity to administer a fund of this size. A key advantage to having the Fund administered by a new Yayasan that has been expressed by Indonesian stakeholders is the desire to design a new Yayasan specifically focused on administering the Fund which could build its own administrative capacity from the ground up with greater stakeholder involvement in the design of administrative activities, although building such capacity would take time and involve some cost.

Due to KEHATI’s key advantages of having existing administrative capacity and expertise including previously acting as administrator for funds that were owned by Singapore Trustees, they can serve not only as the initial administrator, but can also work to build the capacity of any new Papuan foundation.

Investment

Investment of the Fund will best be undertaken in a financial center where there is 1) a large competitive market for investment managers and 2) availability of diverse investment options. Both Singapore and the United States are financial centers that offer such attributes. Therefore, the investment options for the Fund can be further analyzed once a decision has been made on the domicile of Fund ownership.

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<sup>21</sup> Local counsel to provide an estimate.

## Appendix 5C Blue Abadi Financial Assumptions

The financial assumptions behind the Blue Abadi Fund are outlined in detail in the Blue Abadi Business Plan ([Appendix 6](#)). A summary of key financial assumptions are summarized here.

Bird's Head Seascope partner, Starling Resources, developed a comprehensive cost model, projecting costs, revenues, and gaps under the "steady state" management system for the seascope expected to be in place by 2017. The cost model determined that a minimum investment of \$6.7 million for local Indonesian institutions, is necessary to maintain the efficacy of the Bird's Head Seascope MPA network.

Since the start of the Seascope initiative, local and national government agencies have come to understand the benefits of MPAs and have collectively quadrupled their annual funding allocations for MPA management, now providing \$3 million annually. In addition to government budget allocations, a system of visitor fees established by the BHS coalition is already generating over \$1 million a year for MPA management and is projected to reach \$1.4 million by 2020. Papuan civil society is expected to generate approximately \$0.8 million annually.

While these local funding commitments are remarkable, a annual gap of \$1.4 million remains. Together the BHS coalition and the West Papua government are establishing the Blue Abadi Fund, a \$38 million endowment, to fill the remaining gap.

The \$38m Blue Abadi Fund has been designed to generate USD \$1.4M annually for disbursement to local institutions. Assumptions and sensitivity analysis are summarized here:

**Endowment Return:** Managed by experienced financial investment managers, the endowment is expected to generate an average gross rate of return of 7.5%, which is slightly lower than the 5-year average return for conservation trust funds globally.<sup>22</sup> Fund managers will work closely with various fund stakeholders to establish investment guidelines that take into account near term and long term needs, balance risk and security, and take advantage of a wide array of investment vehicles to hedge and otherwise minimize exposure to systemic and idiosyncratic risk. Despite this, some fluctuation in annual returns is inevitable. An increase or decrease of 50 basis points (.05%) in the endowment rate of return of (from 7.5% up to 8% or down to 7%) would increase or decrease total returns by roughly 14% or \$200,000 annually. Though projected costs are smoothed over time, the endowment has been calculated to cover some volatility in costs, leaving a small buffer in most years. Moreover, managers will be obligated to leave excess returns untouched, adding to endowment principle and increasing buffer size, unless certain conditions are met. Lastly, the Blue Abadi Governance Board will be well equipped to prioritize granting and minimize impact on any key partner.

**Inflation and exchange rates:** Inflation and exchange rate volatility would impact the fund, and the cost of activities it seeks to support, in myriad and complex ways and professional fund managers will be tasked with informing and executing an investment strategy that is well diversified and soundly hedges against inflation and currency fluctuations. In addition, an allowance for inflation is built into projected fund revenue, with a 2% annual principle recapitalization target and a conservative exchange rate of 11,000 USD/IDR is used to project US dollar equivalent financing needs (rate as of June 11, 2016: 13,316 USD/ IDR). A quick analysis reveals that a weakening of the Rupiah of 1,000 (~9%) to a total of 12,000 USD/IDR would lead to surpluses averaging \$113,000 per year over a ten-year period. Conversely, strengthening of the Rupiah by roughly 9% to 10,000 USD/IDR leaves a shortfall averaging \$136,000 over a ten-year period. This analysis does not take into account indirect impacts of currency fluctuations on global commodity markets.

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<sup>22</sup> Matias, K. and R. Viturine. Conservation Trust Investment Survey for Calendar Year 2013. Conservation Finance Alliance, 2014.



**Investment Costs:** The fund investment manager will earn a fee of no greater than 1% of the value of the fund annually.

**Administration Costs:** Unless approved by a supermajority vote of the Fund Committee, no more than 15% of the total annual budget for disbursement from the Endowment will be available to pay for annual Trust Operations Costs (excluding fees paid to the Investment Manager). The Trust Operations Costs to be paid using Endowment Funds shall be reasonable, controlled and monitored.

After investment fees, principle recapitalization, and administration costs, the Blue Abadi fund is expected to disburse approximately \$1.4 million to local BHS partners annually. Fund disbursements will incentivize and leverage a minimum of \$5.3 million annually in local revenue, representing a 375% match.

Funds are to be disbursed only to local institutions based on pre-established prioritization criteria and will be contingent upon:

1. Alignment with BHS MPA management plans
2. Performance in prior years
3. Demonstrated commitment to cost matching
4. Financial transparency and quality of reporting

#### **Appendix 5D: Blue Abadi Fundraising Status and Contingency Plan**

The Blue Abadi Fund is scheduled to be capitalized in a single close deal in January 2017 with a target capitalization amount of \$38 million. One year later, accumulated available investment returns will be disbursed to Indonesian institutions supporting biodiversity conservation and EAFM in West Papua's Bird's Head Seascape. CI, TNC, WWF, and the Walton Family Foundation are all working in concert to fundraise for the fund from public donors, the private sector, and the philanthropic community.

As of December 1, 2016, \$12.1 million in pledged support has been raised including \$6.5 million from the Walton Family Foundation, \$3M from the MacArthur Foundation, and the \$2.6 million from this CFI Indonesia Child Project that will go towards the capitalization of the Blue Abadi Fund.

In addition, CI has strong prospects for another \$20 million from the following sources:

- USAID
- Margaret A. Cargill Foundation
- Leonardo DiCaprio Foundation
- Anonymous private donor
- CI

CI and the BHS coalition are currently engaging with 5 additional prospective donors for the fund with the potential to collectively contribute an additional \$10-15 million.

Capitalization of the fund will take place in February 2017 as scheduled if a minimum of \$30 million in pledged commitments has been raised. If less than \$30 million has been committed for fund capitalization, the deal close will be postponed by 6-12 months and terms will be renegotiated with each Blue Abadi investor.

In the event that the fund close is postponed, CI's GEF Agency will consult with the GEF to evaluate the following three options:

- 1) Transfer the funds to the Blue Abadi Trustee in January 2017 as initially scheduled. The funds will be invested by the Blue Abadi investment manager and begin to accrue investment returns while the Bird's Head Seascope Coalition continues to fundraise for the larger fund capitalization event with other donors.
- 2) Wait 6-12 months to transfer funds to the Blue Abadi Trustee along with the other donors participating in the single close deal. In the interim period, funds would remain with CI's GEF agency.
- 3) Use funds to directly fund EAFM activities in West Papua. CI's GEF Agency would transfer funds to KEHATI, who would then issue sub-grants to the same local Papuan partners that would have been funded via Blue Abadi, thus directly funding the same activities during the project period.

In the unlikely event that the fund is not viable, with less than \$20 million raised even after a year postponement, then CI recommends option three above, in which CI's GEF Agency would transfer funds to KEHATI, who would then issue sub-grants to the same local Papuan partners that would have been funded via Blue Abadi, thus directly funding the same activities during the project period.

If the close is postponed and/or it closes with less than the full \$38 million required, the international NGOs will continue annual fundraising to cover as much of the gap in MPA management costs as possible until the fund is fully capitalized. Under all scenarios, the Bird's Head Seascope coalition will work towards increasing revenues from other sources, such as government allocations, blue carbon credit, and resource user fees.

## **APPENDIX 5E: Blue Abadi Monitoring Plan**

### **Blue Abadi Monitoring and Evaluation Plan**

There will be three independent forms of monitoring and evaluation for the Blue Abadi Fund (component C):

1. **GEF award monitoring:** As the GEF implementing agency, CI will be responsible for monitoring progress against project milestones established in the grant agreement. These milestones will focus on the establishment and operationalization of the Blue Abadi Fund.
2. **Blue Abadi Fund performance monitoring:** As the fund administrator and executing agency, KEHATI will be responsible for monitoring and reporting annually on the performance of each of the Blue Abadi Fund sub-grantees and on their collective progress.
3. **Ecological and social monitoring:** The Blue Abadi Fund will provide an annual sub-grant to a local academic partner to continue robust ecological and social monitoring for the BHS MPA network and to produce an annual report on the state of the Seascope. The State University of Papua (UNIPA), has been selected as the preferred partner for this work and has been extensively trained by WWF-US in all relevant monitoring protocols, data management procedures, and required analysis. While some advanced statistical support may be needed by international experts for advanced impact evaluation, UNIPA has sufficient capacity to independently implement the protocols to report trends.

### **Blue Abadi Initiative Monitoring and Evaluation Plan—Component C**

**Objective: Through the capitalization the Blue Abadi Fund in West Papua Province (FMA 715 and 717), permanently support a network of local institutions working to protect coastal ecosystems, increase fisheries production, and enhance EAFM for the benefit of small-scale local fishers and their communities.**

**Outcome 1: Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia's first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries**

production, and the livelihoods and food security of local fishers and their communities.

**Output 1.1 The Blue Abadi Fund and the broader sustainable financing strategy for the Bird's Head Seascape in West Papua Province provide reliable funding in perpetuity for a network of local institutions working towards conservation and fisheries management in West Papua Province and generate important lessons learned on sustainable financing for marine resource management across Indonesia's FMAs and nationally.**

Anticipated Results	Targets/Performance Indicators	Data Sources /Methods	Timeframe/ Frequency	PIC
1.1.1 The Blue Abadi Fund for the Bird's Head Seascape in West Papua Province has been legally established, is fully operational, and is governed by a local governing body and has a 5-year strategic plan and gender accountability system in place.	Trust agreement signed, legally establishing Blue Abadi Fund.	Signed trust agreement	Year 1, Q1	CI
	Governance committee established and in compliance with the Blue Abadi traditional peoples and gender mainstreaming plans.	Governance committee and advisory committees participant list	Year 1, Q1	CI
	The Blue Abadi Fund 5-year strategic plan is approved by the governance committee.	Final Blue Abadi 5-year strategic plan and meeting minutes	Year 1, Q1	CI
	The gender mainstreaming plan has been fully implemented	Summary of system	Year 2	CI
1.1.2 The Blue Abadi Fund achieves the investment performance targets set by the Blue Abadi Governance Committee and meets industry performance benchmarks for endowment investments.	Specific targets to be set by Blue Abadi Governance Committee in the first quarter of Year 1.	Performance reports from investment manager(s); endowment benchmark reports	Quarterly	CI
1.1.3 KEHATI effectively administers the Blue Abadi fund in accordance to the guidance of the Blue Abadi Governance Committee.	Annual workplans are developed by KEHATI based on solicited proposals and approved by the governance committee.	Annual workplan	Annually	CI to monitor KEHATI
	KEHATI hosts at least two meetings for the governance committee and the advisory committee each year.	Meeting minutes	Every six months	CI to monitor KEHATI
	KEHATI issues four rounds of sub-grants to qualified	Sub-grantee list	Every six months	CI to monitor

	local Indonesian institutions in the Bird's Head Seascape, in total issuing an estimated \$3,700,000 in sub-grants.			KEHATI
	KEHATI delivers an annual report to the Blue Abadi Governance Committee and funders.	Annual Report	Annually	CI to monitor KEHATI
1.1.4 Lessons learned from the establishment of the Blue Abadi Fund are disseminated.	Lessons learned report completed and available online	Blue Abadi lessons learned report	Year 2, Q4	CI

**Output 1.2: Governed by a local governing body and administered by Kehati, the Blue Abadi Fund makes annual funding disbursements to local Indonesian institutions in West Papua Province (in FMA 715 and 717) to support fisheries production through the direct protection of critical marine ecosystems and the advancement of local EAFM for small-scale coastal fisheries**

Anticipated Results	Targets/Performance Indicators	Data Sources /Methods	Timeframe/ Frequency	PIC
1.2.1 The Blue Abadi Fund disburses funds to MPA co-management authorities and community patrol teams in order to manage and enforce the BHS MPA network based on official MPA management plans and zonation systems.	MPA management effectiveness for each MPA receiving funds from Blue Abadi is stable or improving (from 2017 baseline)	MPA authorities use Indonesia's Guidelines for Evaluating the Management Effectiveness of Aquatic, Coasts, and Small Islands Conservation Areas annually.	Yearly	KEHATI
	Patrols are conducted a minimum of once per week in each MPA receiving funds from Blue Abadi	Patrol team logbooks submitted to KEHATI with sub-grant reports	Every six months	KEHATI
1.2.2 The Blue Abadi Fund disburses funds to qualified local institutions for a suite of conservation activities across the	At least 4 grants are issued to qualified local institutions each round for activities aligned with the 5 year strategic plan	Sub-grantee list and project reports	Annually	KEHATI
	A qualified local institution	State of the	Annually	KEHATI

Seascope, including conservation monitoring and capacity development activities.	funded to conduct ecological and social monitoring produces a state of the seascope report annually	Seascope Report		
	At least 50 local conservation practitioners attend a capacity development training each year, with a minimum of 25% women and 50% traditional Papuan.	Attendee lists	Reported Annually	KEHATI
1.2.3 The Blue Abadi Fund disburses an estimated \$100,000 via the INOVASI small grants facility for at least 10 innovative sustainable fisheries and conservation projects led by Papuan organizations each year.	Approximately USD \$100,000 is disbursed annually by the INOVASI small-grants facilities.	Sub-grantee list and project reports	Reported Annually	KEHATI
	At least 10 Papuan organizations are funded annually, with at least 25% led by women or with a strong gender component.	Sub-grantee list and project reports	Reported Annually	KEHATI
1.2.4 Local institutions that receive grants from the Blue Abadi Fund successfully deliver anticipated results and have increased capacity.	At least 80% of primary grantees meet at least 75% of their deliverables and are considered to be moderate to high performing with steady or increasing capacity.	KEHATI to evaluate sub-grantee capacity before and after each grant with custom evaluation tool. Performance evaluated by reviewing sub-grantee reports and 1-2 site visits each year.	Reported Annually	KEHATI
	At least 60% of INOVASI grantees complete their project and are considered to be moderate to high performing with steady or increasing capacity.			

**Output 1.3: Coral reef health, endangered sea turtle populations, and the well-being of local communities are improving in the BHS MPA network.**

<b>Anticipated Results</b>	<b>Targets/Performance Indicators</b>	<b>Data Sources /Methods</b>	<b>Timeframe/Frequency</b>	<b>PIC</b>
1.3.1 Coral reef health is stable or improving in the BHS MPA network, as indicated	Positive trends in benthic composition are indicated by stable or statically significant increasing live hard coral	BHS reef health monitoring protocol will be conducted in at	Each MPA monitored every 2 years	UNIPA

by positive trends in the condition of at least one benthic and/or fish attribute of the ecosystem relative to the baseline (2011-2013).	cover and low macro algae cover (below 5%); positive trends on fish populations are indicated by increases in carnivorous fish biomass, herbivorous fish biomass, and other key fish species.	least 6 MPAs (and similar non-MPA controls)		
1.3.2 Critical nesting beaches across the BHS for pacific leatherback, green, hawksbill, and olive ridley turtles are effectively managed, monitored and protected, resulting in steady or increasing hatchling production relative to available baselines (2008-2013).	Turtle hatchling production is steady or increasing compared to available baselines (2008-2013).	Nightly data on hatchlings will be collected using international standard monitoring protocols. Annual reports will be generated and provided to KEHATI.	Nightly during nesting season	KEHATI
1.3.3 The well-being of local communities living inside the BHS MPA network has improved, as indicated by a significant increase in one or more domains of human well-being (Economic well-being, Food Security, Political Empowerment, Education and Culture) in each MPA relative to 2010-2012 baseline.	One or more domains of human well-being has increased significantly in each MPA. Economic well-being measured by an index of household assets; food security measured by a standard household food security scale, political empowerment measured by an index of marine resource rights; education measured by the formal school enrollment rate and culture measured by an index of place attachment.	Social monitoring will be conducted in 6 MPAs (and similar non-MPA controls) using household surveys to document human well-being together with focus groups and key informant interviews. Where appropriate, trends are disaggregated by gender.	Each MPA monitored every 3 years	UNIPA

## **APPENDIX 6: Blue Abadi Business Plan**



## **APPENDIX 7: WWF GEF Environmental and Social Safeguards**

This section is limited to those activities Implemented by WWF-GEF Agency related to Component A, B and D while Component C will be implemented by Conservation International and will follow its CI safeguards policies and procedures for that component. See Section 5 for more details.

### ***WWF GEF Indigenous Peoples Planning Framework***

As part of project preparation an Indigenous People Planning Framework (IPPF) was prepared by an independent consultant for the project development team in consultation with Programme stakeholders, a small selection of PAPs from East Seram and the Kei Islands (community members, indigenous peoples representatives) identified during the process between May and June, 2016. Efforts were made to achieve gender balance during these processes, however as noted additional gender analysis and engagement will be conducted during project implementation.

The WWF-Indonesia teams have established relationships in each of the project sites, where they have been engaged prior to the design and startup of this project. Based on a rapid assessment, it is clear that the consultations have been free of coercion and have taken place prior to Project implementation. The focus of the consultations has been on activities related to the Project, rather than the Project itself. The FPIC requirement includes process and documentation of a higher order than has currently been provided by the teams. As part of the project preparation and early implementation, local indigenous peoples and local communities shall be provided specific and consistent information on the proposed Project as a whole, on the anticipated impacts, mitigations and M&E activities. This IPPF provides a framework and overview of how FPIC will be approached through future consultation and project implementation and monitoring activities, including for example with the use of the Grievance Redress Mechanism, and a grievance log that is monitored regularly by the PMU.

### ***Impacts and Mitigation***

A social assessment process was carried out as part of the preparation of safeguard documentation, drawing on documents provided by site teams, and consultations with site teams, management and affected peoples. The potential negative impacts on indigenous people's social economic conditions have been identified as negligible, however there is consensus for them to be mitigated engagement, alternative livelihood support and payment for ecosystem services, as built into the project design and/or in alignment with ongoing activities with the same peoples. Preparation of three, site-specific implementation plans (Indigenous Peoples Plan / detailed activity work plan) will be carried out to ensure that the selection of individuals, the nature of assistance, the required contributions of each party, budget and time-bound targets are planned and agreed. Planned mitigations are summarized herein, and an outline of the IPPs to be developed specifically for each site, is provided.

### ***Recommendations***

Recommendations for actions to support the implementation of this IPPF, and the related preparation and implementation of the IPPs, include: clear division of responsibilities for safeguard supervision and implementation, as well as supervision and capacity building for relevant project personnel and key stakeholders; selected additional data collection Indigenous Peoples Plan (IPP)

To meet WWF safeguard requirements, the Project teams will be required to develop an IPP for each of the three sites, prior to implementation of the Project activities. The IPP is outlined in the Project IPPF, and constitutes a work plan for the duration of the project, defining activities, targets, timeframe and budgets for the implementation of the activities agreed based on local consultation.

to address gaps in baseline data; enhanced consultation, information disclosure and socialization of Grievance Mechanism, based on a Project Communications Strategy, with appropriate messaging, methods and efforts to ensure balanced gender participation; improved planning and documentation to ensure FPIC requirements are met.

**WWF GEF Resettlement Policy Framework/Process Framework**

During project preparation, the project development team prepared a Resettlement Policy Framework/Process Framework by an independent consultant given any potential adverse impacts related to involuntary resettlement (economic displacement). Baseline data gaps and gender focus were highlighted as an area for attention, both to ensure balanced gender participation in dialogues and decision-making, in activities such as training and livelihoods support and other forms of impact mitigation and benefit-sharing related to the Project and to ongoing sustainable marine and fisheries activities in the project areas.

Table below summarizes the anticipated impacts (or community concerns), suggested mitigation measures, and the feasibility of the implementation of these measures for each of the Project’s regions.

**Summary of Anticipated Impacts and Mitigation Measures**

<b>Region</b>	<b>Anticipated impact / concern</b>	<b>Mitigation</b>	<b>Feasibility of implementation (easy/medium/difficult)</b>
<b>FMA 718 Southeast Maluku (Kei Kecil)</b>	<b>Restrictions on fisheries activities.</b> The Marine Protected Area (MPA Kei Kecil) is located within the FMA 718. Restricted fisheries activities in the MPA, including a no-take zone within the MPA may affect selected community livelihoods.	<b>Sustainable livelihood alternatives.</b> Consultation and agreement with affected peoples on alternative livelihood activities consistent with their traditions and interests have been initiated. Seaweed farming groups and mud-crab cultivation groups based on indigenous rights ownership of the marine area have begun receiving technical support and basic equipment to generate alternative livelihoods as replacement activities for restricted fisheries access in Kei Kecil. For other users, who do not have indigenous rights to the area the Fisheries Improvement Programme under Project Component B targets these fishing communities. Alternative livelihood assessment and community consultation may also be carried out to determine suitable activities for Project support.	Medium
	<b>Restrictions on hunting leatherback turtles.</b> Local communities, and in particular IPs, hunt for subsistence and pursuant to their cultural heritage and traditions (only men are involved in hunting leatherback turtles). However, hunting of	<b>Cultural revitalization.</b> The Project will collaborate with local IP leaders to support their decision making processes and socialization activities related to changes in turtle hunting permission. Along with this, supporting the IP community wishes to launch turtle festivals and promote aspects of their culture with local youth and eventually to tourists, are plans already under discussion in the Kei project area.	Medium

Region	Anticipated impact / concern	Mitigation	Feasibility of implementation (easy/medium/difficult)
	<p>endangered species is prohibited in FMA 718, and the thus the increased enforcement of EAFM in the area will prevent the local community from hunting.</p>	<p><b>Eco-tourism development.</b> Within the MPA Kei Kecil, Indonesian regulations provide areas for limited uses including aquaculture, tourism and fish capture), as well as for traditional uses to support subsistence activities. In the southern area of the MPA where community tradition of leatherback turtle hunting has expanded beyond sustainable limited, the Project has begun working with indigenous institutions to review the tradition and revise the indigenous legal regime (<i>hukum adat</i>) to limit turtle hunting activities.</p> <p>The Project will collaborate with affected communities to support their legal transition and communication activities, as well as offering support for sustainable tourism development including training and technical support. Efforts to safeguard the relevant aspects of indigenous identity related to leatherback turtles will be made from the Project outset.</p>	
<p><b>FMA 715 (East Seram, Maluku – Koon Island)</b></p>	<p><b>Restrictions on fisheries activities.</b> The Marine Protected Area (MPA Koon) is located within the FMA 715. Restricted fisheries activities in the MPA, including a no-take zone within the MPA may affect selected community livelihoods.</p>	<p><b>Sustainable livelihood alternatives.</b> Consultation and agreement with affected peoples on alternative livelihood activities consistent with their traditions and interests have been initiated. The Fisheries Improvement Programme under Project Component B targets these fishing communities. Alternative livelihood assessment and community consultation may also be carried out to determine suitable activities for Project support. A Programme of eco-tourism based on payment for ecosystem services will be supported with the local indigenous community in exchange for protecting the fish spawning area of the MPA Koon.</p>	<p>Medium-Difficult</p>
<p><b>FMA 717, West Papua, Wondama Bay</b></p>	<p><b>Restrictions on fisheries activities.</b> The Marine Protected Area (MPA Wondama) is located within the FMA 717. Restricted fisheries activities in the MPA, including a no-take zone within the MPA may affect selected community livelihoods. Whereas subsistence activities by indigenous peoples are</p>	<p><b>Sustainable livelihood alternatives.</b> Consultation and agreement with affected peoples on alternative livelihood activities consistent with their traditions and interests have been initiated. The FIP targets affected villages for training and support to improve fishing livelihoods. A Programme of eco-tourism based on whale shark protection has also been established with part of the indigenous people and local community. Roles for the non-indigenous fishermen and increased participation and benefits for community members</p>	<p>Easy</p>

Region	Anticipated impact / concern	Mitigation	Feasibility of implementation (easy/medium/difficult)
	not restricted, fishing limitations are in force that affect outsider fisherfolk.	will be enhanced through Project involvement.	

## APPENDIX 8: CFI Indonesia Project Framework Monitoring and Evaluation Plan

*Notes:* EAFM is defined by the FAO as "an ecosystem approach to fisheries strives to balance diverse societal objectives, by taking into account the knowledge and uncertainties about biotic, abiotic and human components of ecosystems and their interactions and applying an integrated approach to fisheries within ecologically meaningful boundaries". The implementation of EAFM implies the development, application and adaptation of a series of tools including by not limited to marine protected areas, financial schemes, and fishery improvement projects that support, balance and harmonize sustainable livelihoods (especially of coastal peoples) and marine ecosystems.

Objective/ Component/ Outcome	Indicator / Unit	Definition	Disaggregation	Method/ Source	Frequency	Responsible	Baseline	Midterm (2018) Target	Project End (2021) (cumulative) Target	Assumptions		
<b>Component A:</b>												
<b>Implementing Enabling Conditions for EAFM in FMA 715, 717 &amp; 718</b>												
<b>Objective: Improved capacity and compliance of coastal fisheries stakeholders to EAFM policies and regulations by applying relevant rights-based and collaborative management mechanisms and financial incentive schemes at specific sites within FMAs.</b>												
1. Enabling policy: National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to contribute to the implementation of a holistic ecosystem approach to fisheries management (EAFM). (Supports Program-level Output 2.1.)	# of national frameworks (FMPs for each FMA) amended.	FMP amendments (which are part of national policy) contribute to EAFM		Existence of amended documents.	Midterm and EOP	PMU	0	1	3	FMPs are endorsed by GOI.		
	# of Provincial frameworks amended based on corresponding FMPs for each FMA.	(including MPA management, rights based mechanisms and financial schemes).	District level frameworks will be disaggregated by species within FMA.	Existence of amended documents.	Midterm and EOP	PMU	715	0	1		3	
							717	0	1		3	
							718	0	1		3	
	# of FMA decrees adopted and implemented with provincial governments.	FMPs must be formally approved by the National Government. This can take time and may not occur within the life of project. However, during the life of project, Provincial governments will implement elements of the FMP decrees.						715	0		1	1
								717	0		1	1
								718	1		1	1

2. Enabling awareness: Holistic EAFM based plans in place demonstrating the benefits of harvest controls and co-management to fishers and province level managers. (Supports Program-level Output 1.1)	# of EAFM plans developed and operational demonstrating benefits of controls and management to fisheries/ Managers.	A “developed” plan is one that is available in writing. An “operational” plan is one that is in the process of being implemented. A written plan will include language on benefits of harvest controls and co-management to fishers and province level managers.	Plans will be disaggregated by FMA.	Existence of plans.	Midterm and EOP	PMU	715	0	1	2	There is common agreement on a definition for Harvest Control Regulations.			
							717	0	1	2				
							718	0	1	2				
							♂	♀	♂	♀	♂	♀		
3. Enabling incentives: Locally based medium scale financial mechanisms established to demonstrate coastal ecosystem conservation as part of a holistic EAFM. (Supports Program-level Output 1.3)	# of financial mechanism projects established and operational that are benefiting marine ecosystems and coastal people.	These financial mechanisms are defined as medium scale (<\$75K/project) Payment for Environmental Services schemes that fund coastal ecosystem conservation as part of a holistic EAFM.	These projects will only be implemented in FMA 715 as Blue Abadi (Component C) will be implemented in the other two FMAs.	Existence of functioning financial schemes.	Midterm and EOP	PMU	715	0	0	1	1	2	2	Funding sources and financial mechanisms are available.
4. Enabling skills: Capacity of fishers, fish workers, and provincial and district government agencies enhanced to effectively participate in the implementation of holistic EAFM approaches. (Supports Program-level Output 2.4).	# of MMAF National, Provincial and District staff trained on Specific Competence Standards for Work (SK3) for EAFM.	“Trained” is defined as those “passing” (providing correct answers to at least 60% of questions) in a post training test.	Data will be disaggregated by FMA and by gender.	Attendance sheets from trainings.	Annual	PMU	715	4	2	7	3	1	28	Stakeholders are willing to participate in the project and are committed to implementing training results.
							717	1	1	7	3	1	28	
							718	0	0	7	3	1	28	
	# of fisher folk applying BMP.	BMPs include improved fishing, fish handling and post harvest practices to maintain fish quality.	Data will be disaggregated by FMA and by gender.	Survey of fisher folk who have participate in project BMP trainings.	Midterm and EOP		715	0	0	13	7	3	21	
							717	0	0	17	8	5	24	
							718	0	0	13	3	3	9	

**Component B:**

**Implementing EAFM Tools to support EAFM in FMA 715, 717 and 718.**

**Objective: Select coastal fisheries improved using MPAs, FIPs, and BMPs as well as the application of EAFM principles at key locations in FMA 715, 717 & 718 – aligned with Programme Component A & C**

1. Improved planning and management of MPAs for cross-sectoral collaboration implemented as part of a holistic EAFM approach that includes ecosystem restoration and conservation strategies and other innovative approaches. (Supports Program-level Output 2.2)	# of ha of new MPAs established.	These MPAs include Provincial and National level.	Data will be disaggregated by FMA.	Existence of Decrees	Midterm and EOP		<b>715</b>	<b>0</b>	<b>25,000 ha</b>	<b>150,000ha</b>							
							<b>717</b>	<b>0</b>	<b>30,000 ha</b>	<b>100,000 ha</b>							
							<b>718</b>	<b>0</b>	<b>150,000 ha</b>	<b>800,000 ha</b>							
								<b>Yellow (%)</b>	<b>Green (%)</b>	<b>Blue (%)</b>							
							<b>B</b>	<b>M</b>	<b>EoP</b>	<b>B</b>	<b>MT</b>	<b>EoP</b>	<b>B</b>	<b>MT</b>	<b>EoP</b>		
	% of ha of existing MPAs under improved management.	# of National or Provincial MPAs having a “blue” ranking per the MPA management effectiveness E-KKP3K/MPA scorecard.	Data will be disaggregated by FMA.	MMAF effectiveness E-KKP3K/MPA scorecard results.	Baseline (B) Midterm (MT) and End of Project (EoP)		<b>715</b>	100	100	100	75	85	90	75	85	90	MMAF’s E-KKP3K measures are based on % of existing MPAs falling under each category and progressing from yellow to green to blue) Note that FMA 715 ~ =2.1Mha FMA 717=3Mha and FMA 718 = 150,000ha
							<b>717</b>	41	75	100	0	35	90	0	15	30	
							<b>718</b>	100	100	100	71	80	90	76	85	90	
	# of FMAs with 20% improvement in fisheries management performance over project baseline.	EAFM performance is measured using the six domain indicators for (Fisheries Resources, Habitat and Ecosystem, Capture Fisheries Technique, Economic, Social, and Governance) as defined by the Indonesian government.	Data will be disaggregated by FMA.	MMAF EAFM performance indicators.	Midterm and EOP	PMU		<b>0</b>			<b>1</b>			<b>3</b>			



	# of whale sharks in FMA 717.	Whale sharks IUCN Vulnerable and are a project conservation target.	Whale shark populations are found in FMA 717 and are regularly monitored.	WWF ID population monitoring data.	Annual	PMU	717	60	60	60				
	# of leatherback turtles legally permitted to be traditionally hunted per year.	Leatherback turtles are IUCN Critically Endangered and a project conservation target.	Leatherback populations are found in FMA 718 and are regularly monitored.	WWF ID population satellite monitoring data.	Annual	PMU	718	60	30	5				
								♂	♀	♂	♀			
2. Small scale business sector investment increases in coastal fisheries management. (Supports Program-level Output 1.2)	# of small scale fisheries enterprises investing in EAFM (including BMPs).	Small scale businesses include community level enterprises (such as mud crab fisheries) that are operated by men and women. Investments will include coastal fisheries management, coastal ecosystem recovery, and methods for reducing waste and post-harvest loss.	Data will be disaggregated by FMA and gender.	Project surveys.	Midterm and EOP	PMU	715	0	0	14	6	2	12	Small scale businesses are committed to implementing FIP/AIP guidelines.
							717	0	0	14	6	2	12	
							718	0	0	14	6	2	12	
	% women residing in project sites benefitting from activities designed to address and reduce losses in post-harvest fisheries.	Training activities will focus on women's role in post-harvest fisheries and ways to reduce waste/loss. "Benefitting" actively engaging in training event activities and discussion and applying new skills to their post harvest fishery activities.	Data will be disaggregated by FMA.	Project surveys.	Annual	PMU	715	10%	20%	20%	Women are willing to participate in the trainings.			
							717	10%	20%	20%				
							718	10%	20%	20%				
3. Business sector invests and implements	# of FIPs established.	FIPs are formal agreements	Data will be disaggregated	Signed FIP agreements	Annual	PMU	715	0	1	2				

FIPs.		established between the project and a fishery business that defines a set of practices to be adopted to ensure the longterm viability of a specific fish stock.	by FMA.	.			717	0	1	1	
							718	0	1	2	
	# of businesses using revised procedures/practices that support EAFM.	“Supporting EAFM” includes abiding by licensing requirements, harvest control limits, respecting MPA regulations, etc. Relevant operating procedures will include fisheries purchasing, practices and processing.	Data will be disaggregated by FMA.	Existence of Operating procedures supporting EAFM	Midterm and EOP	PMU	715	0	1	3	The seafood industry is committed to implementing EAFM policies.
							717	0	1	3	
							718	0	1	3	

**Component C:**

**Sustainably financing the protection of coastal ecosystems and EAFM activities in FMA 715 and 717.**

**Objective: Through the capitalization the Blue Abadi Fund in West Papua Province (FMA 715 and 717), permanently support a network of local institutions working to protect coastal ecosystems, increase fisheries production, and enhance EAFM for the benefit of small-scale local fishers and their communities.**

1. Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.	The Blue Abadi Fund is capitalized.	The Blue Abadi Fund has been capitalized at a minimum amount of USD \$30 million	N/A	Annual Blue Abadi Report from KEHATI	Once	CI	0	1	1	
	Blue Abadi Fund is fully operational.	Operations are in compliance with the Blue Abadi Operations Manual. Funds are being disbursed annually to Indonesian organizations in West Papua for activities consistent with the Blue Abadi Strategic Plan.	N/A	Annual Blue Abadi Report from KEHATI	Annual	CI	0	1	1	

**Component D:**

**Implementing knowledge management, monitoring and evaluation for sustainable coastal fisheries in FMA 715, 717 and 718.**

**Objective: Platforms established for project monitoring, evaluation, reporting, and knowledge management promote data sharing, communication of lessons learned and adaptive management.**

1. Results-based performance monitoring used to track project status and inform governance and management of project sites to support EAFM in FMAs 715, 717 and 718. (Supports Program-level Output 3.2)	Existence and use of a comprehensive results-based project monitoring tool for the CFI Indonesia project compatible with other CFI Child monitoring programs.	Monitoring plan will be implemented at the site level in each FMA over the life of the project.	Data will be disaggregated at the site level.	Existence and use of a results-based performance monitoring tool compatible with other CFI Child Projects.	Within 6 mos. of project start up	WWF and CI	0	1	1	ProDoc monitoring plan will provide baseline for the project monitoring scheme  Required data and tools are available.
2. Existing and new data and information management systems established, maintained and updated so that information is secure and available. (Supports Program-level Output 3.1)	# of secure information management systems updated and publicly available.			Existence of updated and available EAFM management systems.	Midterm and EOP	PMU	0	1	1	Stakeholders are willing to participate and are committed to implementing a data sharing mechanism.
3. EAFM information for coastal fisheries management available and disseminated in the respective FMAs, the CFI Programme and other interested national/regional/global audiences. (Supports Program-level Output 3.1)	# of websites documenting project available on line.			Documentation of websites and in hard copy.	Midterm and EOP	PMU	0	2	3	
	# of reflection exercises held during PSC meetings incorporated into AWP formulation.	“Reflection exercise” includes the review and documentation of progress towards the Programme Theory of Change, progress towards implementation of work plans and results, and lessons learned. Incorporation of the reflection exercise into AWP means lessons learned and revised project logic result in adaptations						0	2	

		to strategies/ activities of annual work plans.								
	# of contributions to CFI Programme Communication Tools	“Contributions” include stories, lessons learned on EAFM but also Xcutting themes such as community engagement, gender, etc that are shared through print or media with the CFI Programme and other international fora.					<b>TBD after project start up</b>	<b>TBD after project start up</b>	<b>TBD after project start up</b>	

## APPENDIX 9: Detailed Summary Budget

Eco-system Approach to Fisheries Management (EAFM) in Eastern Indonesia  
ANNUAL BUDGET SUMMARY

TOTAL PROJECT						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	PROJECT TOTAL
PERSONNEL	219,088	226,102	233,367	239,815	248,690	1,167,063
THIRD PARTY FEES & EXPENSES	159,540	179,197	210,187	183,914	224,421	957,259
GRANTS & AGREEMENTS	2,781,121	169,272	273,492	219,893	220,405	3,664,184
TRAVEL, MEETINGS & WORKSHOPS	533,775	730,310	768,781	847,270	816,395	3,696,531
OTHER DIRECT COSTS	83,283	104,311	142,926	148,535	129,923	608,978
EQUIPMENT	10,973	2,260	2,328	4,796	2,398	22,756
ADMINISTRATIVE COSTS	12,566	12,943	13,332	13,732	14,143	66,716
<b>TOTAL PROJECT COSTS</b>	<b>3,800,347</b>	<b>1,424,396</b>	<b>1,644,412</b>	<b>1,657,955</b>	<b>1,656,376</b>	<b>10,183,487</b>

COMPONENT A: Implementing EAFM in FMA 715, 717 & 718						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	COMPONENT TOTAL
PERSONNEL	52,172	53,737	55,349	57,009	58,720	276,986
THIRD PARTY FEES & EXPENSES	77,624	90,449	113,886	117,766	131,814	531,539
GRANTS & AGREEMENTS	70,321	72,431	154,181	97,333	94,498	488,763

TRAVEL, MEETINGS & WORKSHOPS	161,588	198,380	246,253	302,508	255,267	1,163,996
OTHER DIRECT COSTS	6,340	24,025	33,756	34,769	25,489	124,379
EQUIPMENT	-	-	-	-	-	-
ADMINISTRATIVE COSTS	-	-	-	-	-	-
<b>TOTAL PROJECT COSTS</b>	<b>368,044</b>	<b>439,022</b>	<b>603,424</b>	<b>609,386</b>	<b>565,787</b>	<b>2,585,663</b>

<b>COMPONENT B: Implementing Fisheries Improvement Projects in FMA 715, 717 and 718</b>						
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>- YEAR 5</b>	<b>COMPONENT TOTAL</b>
PERSONNEL	56,454	58,148	59,892	61,689	63,539	299,722
THIRD PARTY FEES & EXPENSES	36,406	37,498	38,623	25,861	31,416	169,803
GRANTS & AGREEMENTS	37,505	57,944	79,577	81,964	84,423	341,414
TRAVEL, MEETINGS & WORKSHOPS	157,804	265,453	273,416	281,619	290,067	1,268,359
OTHER DIRECT COSTS	24,951	37,680	38,811	41,246	42,483	185,171
EQUIPMENT	-	-	-	-	-	-
ADMINISTRATIVE COSTS	-	-	-	-	-	-
<b>TOTAL PROJECT COSTS</b>	<b>313,119</b>	<b>456,723</b>	<b>490,318</b>	<b>492,379</b>	<b>511,929</b>	<b>2,264,468</b>

<b>COMPONENT C: Blue Abadi Trust Fund</b>						
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>COMPONENT TOTAL</b>
PERSONNEL	-	-	-	-	-	-
THIRD PARTY FEES & EXPENSES	-	-	-	-	-	-

GRANTS & AGREEMENTS	2,635,211	-	-	-	-	2,635,211
TRAVEL, MEETINGS & WORKSHOPS	-	-	-	-	-	-
OTHER DIRECT COSTS	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
ADMINISTRATIVE COSTS	-	-	-	-	-	-
<b>TOTAL PROJECT COSTS</b>	<b>2,635,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,635,211</b>

<b>COMPONENT D: Implementing knowledge management, monitoring and evaluation of sustainable coastal fisheries in FMA 715, 717 and 718</b>						
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>COMPONENT TOTAL</b>
PERSONNEL	63,879	65,795	67,769	69,802	71,896	339,141
THIRD PARTY FEES & EXPENSES	45,511	51,250	57,678	40,286	61,191	255,916
GRANTS & AGREEMENTS	27,085	27,897	28,734	29,596	30,484	143,797
TRAVEL, MEETINGS & WORKSHOPS	197,935	243,357	225,276	238,570	245,727	1,150,864
OTHER DIRECT COSTS	45,265	35,630	63,128	65,022	52,804	261,848
EQUIPMENT	6,584	-	2,328	-	-	8,912
ADMINISTRATIVE COSTS	12,566	12,943	13,332	13,732	14,143	66,716
<b>TOTAL PROJECT COSTS</b>	<b>398,825</b>	<b>436,872</b>	<b>458,245</b>	<b>457,008</b>	<b>476,245</b>	<b>2,227,195</b>

<b>Programme Management</b>						
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>COMPONENT TOTAL</b>

PERSONNEL	46,584	48,423	50,357	51,315	54,535	251,213
THIRD PARTY FEES & EXPENSES	-	-	-	-	-	-
GRANTS & AGREEMENTS	11,000	11,000	11,000	11,000	11,000	55,000
TRAVEL, MEETINGS & WORKSHOPS	16,447	23,121	23,836	24,574	25,334	113,312
OTHER DIRECT COSTS	6,727	6,975	7,231	7,498	9,148	37,581
EQUIPMENT	4,389	2,260	-	4,796	2,398	13,844
ADMINISTRATIVE COSTS	-	-	-	-	-	-
<b>TOTAL PROJECT COSTS</b>	<b>85,148</b>	<b>91,780</b>	<b>92,424</b>	<b>99,183</b>	<b>102,415</b>	<b>470,949</b>

<b>WWF GEF Grant PMC</b>	<b>353,866</b>
<b>CI GEF Grant PMC</b>	<b>117,083</b>



## APPENDIX 10: Organizational Charts

Chart 1: CFI Indonesia Project Management Structure

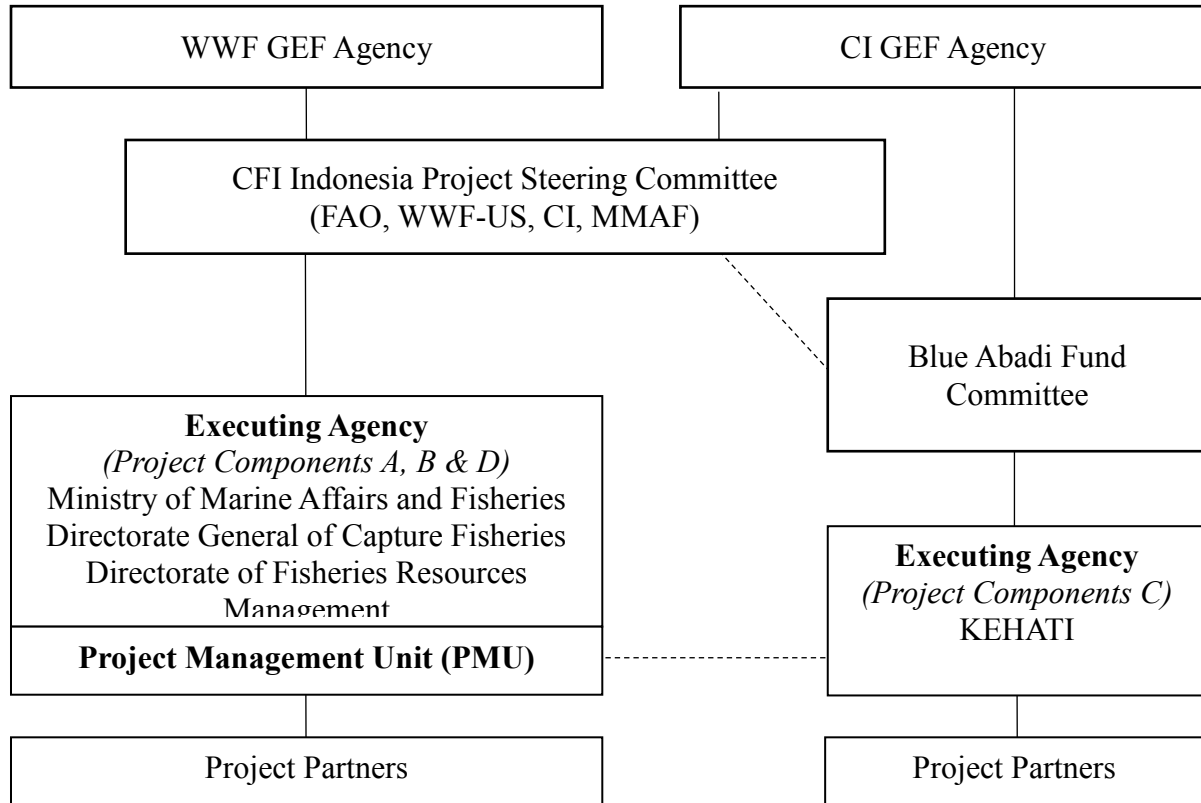
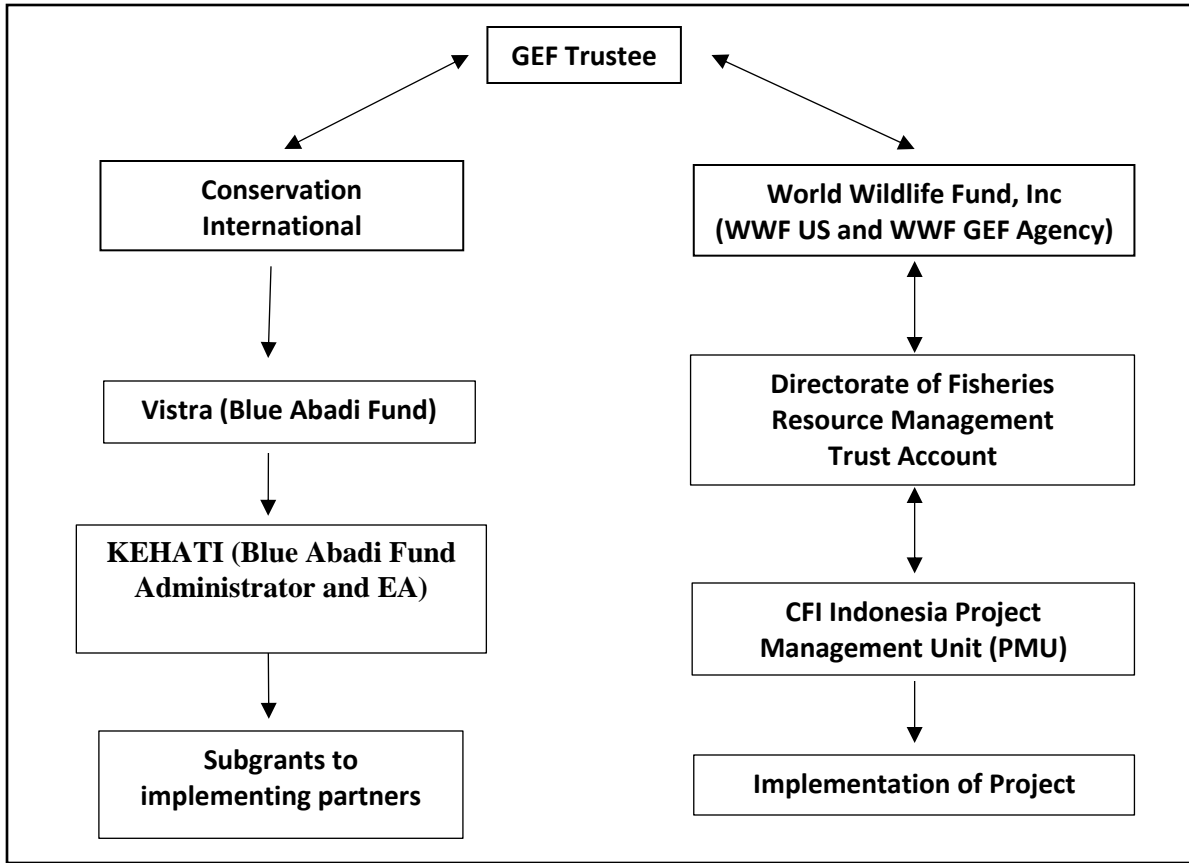


Chart 2: CFI Indonesia Project Fund Flows.



## APPENDIX 11: Workplan Narrative and Implementation Schedule

### Workplan Narrative.

<b>Component A: Implementing Enabling Conditions for EAFM in FMA 715, 717 &amp; 718.</b>	
Y1Q1	National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) will be amended to contribute to the implementation of a holistic ecosystem approach to fisheries management (EAFM) including the integration of EAFM into Fisheries Management Plans for small pelagic fish, reef fisheries and mud crab.
Y1Q2	EAFM principles will be incorporated into fishing licensing and gear regulations.
Y2Q1	As a part of this work, draft decrees for Fisheries Management Areas (FMAs) will be developed, adopted and implemented with provincial governments.
Y2Q1	EAFM based management plans will be developed and implemented that demonstrate the benefits of harvest controls and co-management to fishers and province level managers.
Y1Q1	A white paper will be developed outlining management structure options for harvest control policy and collaborative management of coastal fisheries.
Y2Q1	Two new EAFM pilot projects will be implemented to demonstrate the benefits of collaborative rights-based management including harvest control and log-book monitoring.
Y1Q1	Financial mechanisms will be established demonstrating coastal ecosystem conservation as part of a holistic EAFM.
Y3Q1	Two pilot projects will be established that include collaborative funding agreements will be established between multiple levels of government, private sector, and resource users to fund coastal ecosystem conservation.
Y1Q1	EAFM focused trainings will be developed and provided to fishers, fish workers, and provincial and district government agencies.
<b>Component B: Implementing EAFM Tools in FMA 715, 717 and 718.</b>	
Y1Q3	As part of a holistic EAFM approach, the project will work with stakeholders to promote, develop and provide improved planning and management of MPAs that includes ecosystem restoration and conservation strategies and other innovative approaches. This EAFM approach to MPA management will be applied to select MPAs in each FMA.
Y1Q2	Lessons learned from West Papua Province’s existing MPA network will be collected and integrated with learnings from the target MPAs in each FMA to provide guidance to management authorities on holistic approaches for integrating MPAs into their EAFM plans.
Y1Q3	The capacity and skills of harvest and postharvest stakeholders (including women and traditional fisheries groups) will be enhanced through increased business sector investment in coastal fisheries management, coastal ecosystem recovery, reductions in waste and post-harvest loss.
Y2Q1	Through this work, waste and post-harvest losses will be reduced in at least 5 FIP fisheries developed through the project in the three project sites.
Y2Q2	Fisheries operating procedures will be harmonized with national EAFM policies, and at least 2 companies per sector purchasing, fishing practices, processing sector will adopt standard operating procedures aligned with EAFM.
<b>Component C: Sustainably financing the protection of coastal ecosystems and EAFM activities in FMA 715 and 717.</b>	
Y1Q1	The Blue Abadi Governance Committee will be convened and undergo initial training on the Blue Abadi Operations Manual and Strategic Plan.
Y1Q2	The Blue Abadi Trust Deed will be finalized and funds will be transferred to the Blue Abadi Trustee to capitalize the Blue Abadi Fund.
Y2Q2	Subgrants will be issued by KEHATI to Indonesian institutions in the Bird’s Head Seascape approved by the Blue Abadi Governance Committee to support biodiversity conservation and EAFM activities. Subgrants to be issued yearly for all subsequent years.

<b>Component D: Implementing knowledge management, monitoring and evaluation for sustainable coastal fisheries in FMA 715, 717 and 718, the CFI Programme and other interested national/regional/global audiences.</b>	
Y2Q3	A results-based publicly available EAFM performance monitoring system and network is established and maintained and used to track project status and inform the governance and management of project sites.
Y2Q3	Lessons, gaps and weaknesses for the application of EAFM are analyzed and shared with CTI-CFF and other national/regional entities and fisheries exchanges are organized between CFI global / national/ local partners.
Y1Q2	Project/Programme Monitoring and KM activities underway.

**CFI Indonesia Implementation Schedule:**

	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Component A</b>																				
<b>Implementing Enabling Conditions for EAFM in FMA 715, 717 &amp; 718</b>																				
<b>Outcome 1.1: Enabling policy: National and local policy and institutional frameworks amended.</b>																				
Amending national frameworks (FMPs for each FMA).	x	x	x	x	x	x	x	x	X	X	X	X	X	X	X	X	X	X	x	x
Amending provincial frameworks based on corresponding FMPs for each FMA.		X	X	X	X	X	X	X												
Promotion/adoption/implementation of FMA decrees with/by provincial governments.					X	X	X	X	X	X										
<b>OUTCOME 1.2: ENABLING AWARENESS: HOLISTIC EAFM BASED PLANS IN PLACE.</b>																				
Development/implementation of EAFM plans in each FMA.	X	x	x	x	x	x	x	x	X	X	X	X	X	X	X	X				
<b>OUTCOME 1.3: LOCALLY BASED FINANCIAL MECHANISMS ESTABLISHED.</b>																				
Development and implementation of financial mechanism projects benefiting marine ecosystems and coastal people).	X	X	X	X	X	X	X	X	X	X					X	X	X	X	X	X
<b>OUTCOME 1.4: CAPACITY OF FISHERS, FISH WORKERS, AND PROVINCIAL AND DISTRICT GOVERNMENT AGENCIES ENHANCED.</b>																				

Specific Competence Standards for Work (SK3) Trainings for MMAF National, Provincial and District staff.	X	X	X	X																
Training and application of BMPs by small scale fishers.					X	X	X	X	X	X	X	X								
<b>COMPONENT B</b>																				
<b>IMPLEMENTING EAFM TOOLS IN FMA 715, 717 AND 718</b>																				
<b>OUTCOME 2.1: IMPROVED PLANNING AND MANAGEMENT OF MPAS FOR CROSS-SECTORAL COLLABORATION IN PLACE.</b>																				
Establishment of new MPAs	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	x	x
Training and Monitoring for improved management on existing MPAs.		X				X				X				X				X		
Training and Monitoring for improved fisheries management performance in each FMA.		X				X				X				X				X		
Whale shark monitoring.	X				X				X				X				X			
Negotiations with traditional leaders and reduced hunting limits on Leather back turtles.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	x	x
<b>OUTCOME 2.2: SMALL SCALE BUSINESS SECTOR INVESTMENT INCREASES IN COASTAL FISHERIES MANAGEMENT.</b>																				
EAFM (including BMPs) by small scale fisheries enterprises.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	x	x
Promotion of and investment in activities reducing post-harvest losses (targeting women).				X				X				X				X				x

<b>OUTCOME 2.3: BUSINESS SECTOR INVESTS AND IMPLEMENTS FIPS.</b>																				
Establishing FIPs.						X	X	X	X	X	X	X	X	X	X	X				
Training and implementation of revised businesses (supporting EAFM).				X						X								X		
<b>Component C</b>																				
<b>Sustainably financing the protection of coastal ecosystems and EAFM activities in FMA 715 and 717</b>																				
<b>Outcome 3.1: Financing provided to the Blue Abadi Fund for critical coastal ecosystem protection and EAFM in West Papua Province (FMA 715 and 717), results in Indonesia’s first sustainably financed MPA network, serving as a national and regional model for sustained marine resource management, as well as in positive impacts to ecosystem health, fisheries production, and the livelihoods and food security of local fishers and their communities.</b>																				
Capitalization of the Blue Abadi Fund.						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Operationalization of the Blue Abadi Fund.						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<b>Component D</b>																				
<b>Implementing knowledge management, monitoring and evaluation for sustainable coastal fisheries in FMA 715 and 717</b>																				
<b>Outcome 4.1: Results-based performance monitoring used to track project status and inform governance and project management.</b>																				
Design and use of a CFI Indonesia comprehensive results-based monitoring tool for the project compatible with other CFI Child monitoring programs.				X	X			X	X			X	X			X	X			X
<b>OUTCOME 4.2: EXISTING AND NEW DATA AND INFORMATION MANAGEMENT SYSTEMS ESTABLISHED, MAINTAINED AND UPDATED.</b>																				
Design and use of publicly available CFI Indonesia management systems.				X	X			X	X			X	X			X	X			X

**Outcome 4.3: EAFM information for coastal fisheries management available and disseminated within the FMAs the CFI Programme and other interested national/regional/global audiences.**

Websites documenting project and learning on line.			<b>X</b>	<b>X</b>															
Reflection exercises (held during PSC meetings incorporated into AWP formulation).	<i>x</i>				<b>X</b>				<b>X</b>				<b>X</b>				<b>X</b>		
Project Monitoring Conducted (Contractual Monitoring as well as FPA, relevant Safeguards, Tracking Tools)		<i>x</i>			<b>X</b>		<b>X</b>		<b>X</b>			<b>X</b>		<b>X</b>			<b>X</b>		<b>X</b>
Programme Learning and Sharing activities (including exchanges, IW:LEARN Events, and other Programme Communication Tools).					<b>X</b>				<b>X</b>								<b>X</b>		<b>X</b>



## APPENDIX 12: Procurement Plan

Type	Description	Number of Products	Project Outcome/ Output	Type	Estimated Daily Rate (US\$)	# of Units (Days)	Total Amount (US\$)
Consultant	Annual Financial Auditing Fees	1 Audit/year	Project Management	Annual Audit	\$218	90	\$19,627
Lead Consultant (International)	Independent Mid Term Evaluation Fees	1 Mid Term Evaluation (Year 3)	Project Management	Mid Term Evaluation	\$800	30	\$24,000
Consultant (National)	Independent Mid Term Evaluation Fees	1 Mid Term Evaluation (Year 3)	Project Management	Mid Term Evaluation	\$19	120	\$2,334
Lead Consultant (International)	Independent Terminal Evaluation Fees	1 Terminal Evaluation	Project Management	Terminal Evaluation	\$800	30	\$24,000
Consultant (National)	Independent Terminal Evaluation Fees	1 Terminal Evaluation	Project Management	Terminal Evaluation	\$19	120	\$2,334
Consultant (International)	Final Project Report	1 Final Project Report	Project Management	Final Project Report	\$800	30	\$24,000
Consultant (International)	Biannual Progress Report (PPR)	10 Biannual Progress Reports (PPR)	Project Management	Biannual Progress Report (PPR)	\$800	30	\$24,000
Consultant (National)	Feasibility Study on Financial Mechanisms (Component A, 3)	1 Feasibility Study	Project Implementation	Project Documents	\$14	1,542	\$22,336
Consultant (National)	Lessons Learned document for Financial Mechanisms (Component A, 3)	1 Lessons Learned Document	Project Implementation	Project Documents	\$14	1,542	\$22,336
Consultant (National)	FIP Reviews (Component B, 2)	9 FIP Projects studied to document FIP BMPs	Project Implementation	Project Documents	\$72	478	\$34,624
Consultant (National)	EAFM SOPs for Fishers (Component B, 3)	4 SOPs developed for 2 sites in two Provinces.	Project Implementation	Project Documents	\$72	239	\$17,312
<b>TOTAL</b>						<b>4250 days</b>	<b>\$216,904</b>

## **APPENDIX 13: Stakeholder Engagement Meetings**

Several meetings were held during the development of the CFI Indonesia Child Project. A list of these meetings, their objective(s) and attendees is provided below.

### **CFI Indonesia Inception Meeting: September 16-18, 2015; Jakarta**

The CFI Inception meeting was held in Jakarta included high ranking representatives from MMAF, WWF Indonesia, Conservation International, WWF GEF Agency as well as the Indonesia GEF Focal Point and FAO Indonesia. The goal of this workshop was to provide an overview of the overall CFI Programme as well as an overview of the CFI Indonesia Child Project that had been submitted and approved by FAO and GEF. The workshop also provided an overview of existing projects working in eastern Indonesia. This information helped identify programming gaps that the CFI Indonesia project could fill as well as potential stakeholders.

### **CFI Indonesia Planning Meeting: October 19-21, 2015; Bogor**

This CFI Core Group (MMAF, CI, WWF Indonesia) workshop determined the geography for the project and developed a broad scale list of potential components, activities and stakeholders. Participants included representatives from MMAF, CI, and WWF Indonesia.

### **CFI Indonesia Planning Meeting: October 27-29, 2015; Bogor**

Based on the results of the October 19-21 meeting, a draft vision, Theory of Change, conservation targets and activities for the CFI Indonesia Child project were developed through an Open Standards approach. Opportunities for gender mainstreaming were also identified. A project overview was also developed for presentation at a CFI Programme meeting convened by the FAO in Rome. Participants included representatives from MMAF, CI, and WWF Indonesia.

### **CFI Project Stakeholder Orientation Meeting: December 17-18, 2015; Ambon**

The CFI Stakeholder Orientation meeting was held in Ambon to provide local stakeholders an opportunity to learn about and opine on the proposed CFI project goals and structure. Attendees included MMAF, CI, WWF Indonesia, District Fisheries Agencies, Provincial representatives from West Papua and Maluku and District representatives from Wondama, East Seram and Southeast Maluku, Tual Municipality, the Directorate of Fishermen's Affairs, representatives from the University of Papua, Pulu Mas, the Pattimura University, Bogor University, as well as USAID, RARE, the Coral Triangle Center, representatives from community groups, traditional leaders, the Indonesia Science Institute (LIPI), the Ambon, Ternate, and Tual Fishing Port, and a Women's seaweed growing Group.

### **Programme Integration Meeting: 20-22 January 2016; Kuta**

This stakeholder meeting built on the Ambon meeting and provided an opportunity for stakeholders to learn more about the project structure and goals. Over three days, participants reviewed and revised proposed project activities and identified opportunities to involve women in the project. Attendees included the GEF Operational Focal Point, MMAF, CI, WWF Indonesia, District Fisheries Agencies, Provincial representatives from West Papua and Maluku and District representatives from Wondama, East Seram and Southeast Maluku, Tual Municipality, the Directorate of Fishermen's Affairs, representatives from the University of Papua, Pulu Mas, the Pattimura University, Bogor University, as well as USAID, RARE, the Coral Triangle Center, representatives from community groups, traditional leaders, the Indonesia Science Institute (LIPI), the Ambon, Ternate, and Tual Fishing Port, and a Women's seaweed growing Group. Representatives from the Fishing and Living Foundation, the Ministry of Research, Technology and Higher Education, the Sorong Polytechnic Institute also attended this meeting.

**Workshop on the Implementation of Law 23/2014; Jakarta  
Programme Development Meeting; February 25-26, 2016; Bogor**

The purpose of this meeting was to learn about the implementation of Law 23/2014 and its impact marine conservation and fisheries issues, and ultimately the CFI Indonesia project. During two the day meeting led by a representative from the Ministry of Interior, stakeholders learned about the opportunities that the law provides for improving the management and implementation of marine conservation and fisheries conservation and management. The meeting included the development of a roadmap and action plan for the implementation of the law. Workshop attendees included representatives from the Ministry of Interior, MMAF, CI, WWF Indonesia, District Fisheries Agencies, Provincial representatives from West Papua and Maluku and District representatives from Wondama, East Seram and Southeast Maluku, Tual Municipality, representatives from the University of Papua, the Pattimura University, Bogor University, as well as USAID, RARE, WCS, the Coral Triangle Center, representatives from community groups, traditional leaders, the Indonesia Science Institute (LIPI), the Ambon, Ternate, and Tual Fishing Port.

A series of additional meetings were held specifically for component C, the development of the Blue Abadi Fund:

**Before PIF was accepted:**

**Papuan Advisory Committee Pre-formation meeting: 29 October, 2014; Jakarta**

The Bird's Head Seascope Secretariat organized a consultative meeting with Mr. Freddy Numberi, the former Minister of Marine Affairs and Fisheries and Papuan leader to discuss the establishment of long-term sustainable financing mechanisms for the Bird's Head Seascope. During the meeting it was agreed to establish a temporary Papuan Advisory Board on BHS Sustainable Financing. During the meeting, Mr. Freddy Numberi agreed to serve as Chairman of the Board, which would have six additional members. The meeting also agreed to arrange an internal meeting in January 2015 to discuss the role and functions of the board in the development process of Conservation Trust Fund for BHS.

**Papuan Advisory Committee Inception Meeting: 12 February, 2015. Manokwari, West Papua**

The meeting was held to ensure all committee members had a shared understanding of the background of the formation of the council, functions and duties of the board, and the organizational structure, as well as to provide information about the Bird's Head Seascope initiative, including its strategy for transition and sustainable financing. It was decided that a) the Advisory committee will be supported by a working team that consists of CI, WWF and TNC under BHS Secretariat coordination. The working team will design a sustainable financing mechanism for marine conservation initiative in the Bird's Head Seascope, which will be appropriate for West Papua's local condition – including designing Trust Fund for Bird's Head Seascope conservation;

**Papuan Advisory Committee Meeting: 18 March, 2015; Manokwari, West Papua**

This meeting included discussion on the definite steps in developing Blue Abadi Trust Fund for the BHS, including the management, the mechanism, the government structure – and other aspects related to the process of the establishment of Blue Abadi Trust Fund. In general, the meeting was successfully conducted; it was smoothly run and very dynamic. Some comments and responses from the participants were very useful on the development of The Trust Fund for the BHS. The following issues were discussed during the meeting: a) BHS Transition Timeline; b) BHS Sustainable Financing; c) BHS Funding Transition; d) Bird's Head Seascope Business Plan; e) Corporate Opportunities.

**After PIF was accepted:**

**Papuan Advisory Committee Meeting: 27-28 April, 2015; Jakarta**

The purpose of the meeting was to discuss the defined steps for the establishment of Blue Abadi Trust Fund as well the establishment of a parallel local Papuan foundation. The meeting also allowed for committee member to learn from KEHATI's experiences in managing trust funds, including about the management mechanism, the structure, and other matters relating to the establishment of trust funds. Potential sources of government funding such as APBD and West Papua's special autonomy fund (OTSUS) was also discussed in this meeting. The committee also discussed potential governance structure and arrangements between the Singapore based Blue Abadi Fund and a proposed new local Papuan grant-making foundation.

**Papuan Advisory Committee & inception meeting for Global Heart of Conservation Partnership Foundation: 26 June, 2015; Jakarta**

The purpose of the meeting was to discuss the establishment of the Global Heart of Conservation Partnership Foundation (YKJKD), a to be formed Papua grant-making foundation that will work in parallel to the Blue Abadi Fund, but be able to access government finances for conservation in West Papua. The discussion included options for the governance structure of YKJKD and potential ways it can work in parallel to the Blue Abadi Fund administered by KEHATI.

**Papuan Advisory Committee Meeting: 9 September, 2015; Manokwari, West Papua**

The purposes of the meeting were to: a) Sign the Notarial Deed (Akta Notaris) for the establishment of the Global Heart of Conservation Partnership Foundation (YKJKD); b) Understand and agree on labor relations between YKJKD, KEHATI, and the Blue Abadi Fund; c) Understand the internationally established "governance standards" for conservation trust funds and agree on the structures for the governing bodies for both YKJKD and for the Blue Abadi Fund

**Papuan Advisory Committee and Global Heart of Conservation Partnership Foundation meeting: 3 December, 2015; Jakarta**

YKJKD that established in 9 September 2015 (Notarial Deed Number 7) in Manokwari, was launched by the Governor on 19 October 2015 together with the Declaration of West Papua as Conservation Province. This meeting, held on the 3rd of December 2015 in CI Indonesia Office Jakarta was the first official YKJKD meeting. The meeting aimed to establish a complete management and organizational structure plus a logo for YKJKD. While the primary focus of the meeting was on YKJKD, there was a discussion of and approval given for the proposed governance structure for the Blue Abadi fund, as well as a discussion on the due diligence research conducted on potential corporate investors into the fund.

**Workshop on Sustainable Financing for the Management of Protected Areas in West Papua; 25 February 2016; Manokwari, West Papua**

The Workshop on Sustainable Financing for the Management of Protected Areas in West Papua was jointly supported by The Nature Conservancy (TNC) and the local government of West Papua. The purposes of this workshop were: a) delivering the results of a study tour on sustainable financing in Ecuador; b) discuss various regulations regarding sustainable funding to support its implementation West Papua.

**Bird's Head Seascape Annual Meeting; 15-18 March, 2016; Manokwari, West Papua**

The theme of the Bird's Head Seascape Annual Meeting was "Moving along, towards self-reliance in managing MPA Networks in the Bird's Head Seascape West Papua." With representatives of the provincial and district governments and the NGO partners working across West Papua, the meeting included significant socialization of the Blue Abadi Fund, including its governance structure, operations, and strategic plan.

**Bird's Head Seascape Sustainable Financing Working Group Meetings; Biweekly; Skype**

The Bird's Head Seascape Sustainable Financing Working Group, with participants from CI, WWF, TNC, Starling Resources, and the BHS Secretariat meet every two weeks for a skype meeting to advance the Blue Abadi Fund.

## **APPENDIX 14: CI GEF Safeguards**

From information provided in the Safeguard Screening Form for Component C, this project has triggered four safeguard polices. These are:

- I. Indigenous Peoples,
- II. Stakeholder Engagement,
- III. Gender Mainstreaming, and
- IV. Grievance Mechanism.

### Mitigation Measures

#### I. Indigenous Peoples

The design of the Fund, and the governance/management structure already includes indigenous communities and follows the FPIC process. Together with the social impact monitoring, it is anticipated that the systems in place will ensure indigenous peoples continue to be effectively engaged and receive benefits. As such, an Indigenous Peoples Plan (IPP) is not being requested.

#### II. Stakeholder Engagement

Key stakeholders (government, indigenous and local communities and private sector) have been integrated into the management of the Fund via the Papuan Advisory Council and the Community Advisory Group. It is anticipated that this arrangement will continue to facilitate effective stakeholder engagement and as such, a Stakeholder Engagement Plan (SEP) is not being requested.

However, the project is required to ensure effective stakeholder engagement is maintained via active monitoring (include specific activities in the annual work plan and indicators in the M&E Plan), and recording of meeting notes of all stakeholder engagement activities. The documentation of these activities can be supported (not required) with photographs, video and audio recordings.

#### III. Gender Mainstreaming

To ensure that men and women are not adversely impacted and that they receive equal opportunities in planning, decision-making and implementation, the project is required to develop and implement a Gender Mainstreaming Plan (GMP).

#### IV. Grievance Mechanism

An Accountability and Grievance Mechanism is required to ensure people affected by the project are able to bring their grievances to the Executing Entity for consideration and redress. The mechanism must be in place before the start of project activities, and also disclosed to all stakeholders in a language, manner and means that best suits the local context.

## **APPENDIX 15: Blue Abadi Fund Gender Mainstreaming Plan**

**Gender Mainstreaming Plan for the Blue Abadi Trust Fund  
Bird's Head Seascape Initiative**

**Component C of Indonesia CFI Child Project**



**Prepared by Starling Resources  
March 2016**





## **Introduction**

Conservation International, The Nature Conservancy, and WWF launched the Bird's Head Seascape Initiative in 2004, in recognition of the extraordinary value of the marine ecosystems surrounding Indonesia's West Papua province. Conservation efforts of the coalition have resulted in the creation of a network of over 3.6 million hectares of marine protected areas (MPAs) in Raja Ampat, Kaimana, Tambraeu and Teluk Cenderwasih. The MPA network, which represents over 20 percent of all MPAs in Indonesia, is being co-managed by communities and local government for biodiversity conservation and sustainable local economic development including fisheries and tourism. The marine ecosystems protected within this MPA network are widely regarded as the epicentre of global marine biodiversity, with more marine species found there than in any other place its size on the planet.

Within the MPAs, 20-30 percent of all critical habitats are fully protected in No-Take reserves, to serve as fish replenishment zones, while the majority of the remaining areas are managed access areas, restricted to sustainable use by local communities to enhance local economies and food security. The MPAs and local patrol teams that enforce them have successfully reduced overfishing by outside poachers by 90 percent, leading to significant increases in fish biomass, catch by local fishers, and local food security. Marine tourism is booming and is now, along with sustainable fisheries, the foundation of the local economy.

The West Papua government is now working with the NGO and philanthropic communities to transition the Bird's Head Seascape Initiative from an international NGO-driven and donor-funded initiative, to one that is effectively managed entirely by local institutions and that is sustainably financed. Once successful, it will be Indonesia's first fully sustainably financed MPA network and will serve as a model throughout the country.

To ensure the seascape's impacts on biodiversity, fisheries, livelihoods and food security are long-lasting, the Birds Head Seascape Coalition and the West Papua Government have launched Blue Abadi fund. Blue Abadi will provide the financing needed to fill identified gaps in MPA operating costs as well as support innovative local conservation and small-scale fisheries initiatives. Blue Abadi will further provide learning opportunities as to how innovative finance mechanisms can help ensure that valuable fisheries resources can be effectively managed long-term

## **Structure of the The Blue Abadi Trust Fund**

The Blue Abadi fund's structure consists of a trustee, governance committees, administrator and grant recipient.

*Trustee*

The Blue Abadi Fund will be owned by Vistra Trust Pte. Limited (Trustee) as part of a Singapore-based foreign trust. Funds will be invested by a professional investment manager selected through a competitive bidding process.

### *Governance*

The Trustee will take direction from a governance body, or Fund Committee, with nine volunteer members representing the following stakeholders:

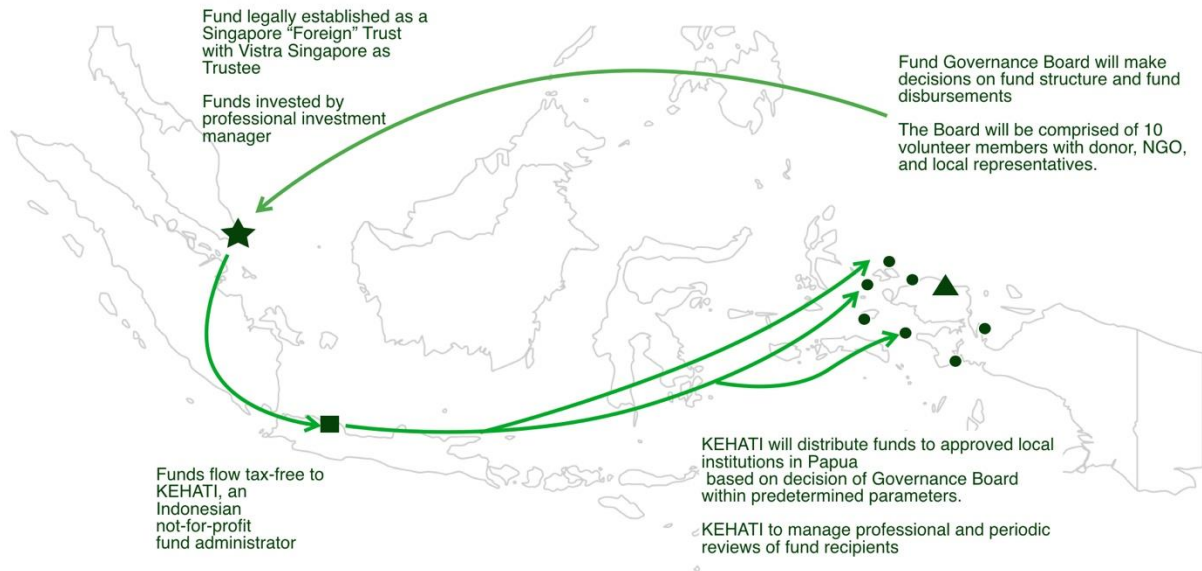
10. one member nominated by the Government of West Papua Province;
11. one member nominated by the Ministry of Marine Affairs and Fisheries (or any successor ministry);
12. one member of the Dewan Adat Propinsi Papua Barat (West Papua Provincial Traditional Council);
13. one member nominated by Walton Family Foundation;
14. one member representing other major donors;
15. one member nominated by CI;
16. one member representing other Founding Partners (WWF-ID and TNC);
17. one member drawn from private sector;
18. one member with financial investment expertise.

The governance body will be supported by three expert advisory committees, including a science advisory committee, a Papuan advisory committee, and a financial advisory committee. The governance body, or Fund Committee, will make final decisions on instructing the Trustee regarding investment and expenditure of the Fund.

### *Administration*

The Indonesian Biodiversity Foundation or Yayasan Keanekaragaman Hayati Indonesia (KEHATI) will act as the initial fund administrator for the Blue Abadi fund. KEHATI will be responsible for administering grants to the approved local partners in the Seascape, monitoring and evaluating grantee progress and compliance, and reporting annually to Blue Abadi Fund governance body and donors.

## Governance Structure for the Blue Abadi Fund



### Grantee

The Blue Abadi fund aims to disburse funds to local institutions to promote sustainable marine resource management. The following institutions will be eligible to receive funds from Blue Abadi:

- MPA management authorities in order to enforce fisheries management regulations established throughout West Papua's 3.6 million hectare MPA network, including spatial fisheries management, traditional management practices (ex: sasi), gear restrictions, vessel restrictions, and species-specific regulations;
- Local institutions to provide capacity development activities to local fishers, marine resource stewards and government MPA and fisheries managers annually, and;
- A small grants facility to support at least 10 innovative sustainable marine resource management and conservation pilot projects led by Papuan organizations each year.

### Gender Dynamic Within the Bird's Head Seascape

Indonesia is home to a labyrinth of political, cultural and socio-economic systems that contribute to discriminatory action against women as resource users, owners and stewards. Deeply-engrained patriarchy marginalizes the vast majority of Indonesian women causing less access to education, health, economic opportunities, justice and participation in decision-making<sup>23</sup>. Formal education levels are low

<sup>23</sup> Reality or Rhetoric? (Inside Indonesia, 2012): <http://www.insideindonesia.org/reality-or-just-rhetoric-2>

across the Bird's Head Seascape and with fewer girls finishing high school than boys<sup>24</sup>. A lack of formal education combined with paternalistic culture have hindered women's attainment of leadership positions, especially within provincial level government and local resource management institutions<sup>25</sup>. The Bird's Head Seascape is also home to a wide-variety of indigenous groups who rely solely on near-shore fisheries for food security and livelihoods. Indigenous women are especially vulnerable to patriarchy as they are often left out of male-dominated tribal decision-making processes over resource use or rights<sup>26</sup>. Statistics produced from the Indonesian National Bureau of Statistics (2011) stated 16,594,000 women were active laborers in the agriculture, fishing and forestry sectors nation-wide as compared to 25,881,000 men<sup>27</sup>. While fishing activities, especially involving the use of boats and activities on the high seas, is often perceived as a men's activity, women in the region also play an important role in the sector as they engage in near shore fishing and "*bameti*" – the harvesting of shell fish after the tide abides) for household consumption and local trade. Women also contribute significantly to post-harvest processing and packaging for private sector exports to local and domestic markets, and spearhead the sale of fish and fish products in local markets. Given the region's dependency on seafood as a protein and food source for households, the incorporation of women in an ecosystems based approach to fisheries management is essential to ensuring the long term sustainability of marine resources.

Furthermore, women in the Bird's Head Seascape lack access to credit or financial resources limiting their access to economic opportunities<sup>28</sup>. Access to financial resources for women in the marine stewardship sector coupled with sustainable resource cultivation training could play an important role in raising awareness of women's resource rights and contribute to the strengthening of women's networks, mobility and participation in the workforce.

Blue Abadi has the potential to play a key role in advancing women's access to financial resources not only contributing to sustainable marine stewardship but to equity between men and women in resource ownership, control and use in the Bird's Head Seascape. Blue Abadi's gender mainstreaming strategy is designed to ensure that both women and men:

- Receive culturally compatible social and economic benefits from Blue Abadi funded projects;
- Do not suffer adverse effects during the fund management and disbursement processes;
- Have equitable access to requesting and receiving Blue Abadi funds;
- Recognize and acknowledge management roles and responsibilities related to the governance, administration and disbursement of Blue Abadi funds; and
- Receive full respect for their dignity and human rights.

## Gender Mainstreaming Strategies for Blue Abadi

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<sup>24</sup> Report on Human Development Index (West Papua Province Bureau of Statistics, 2014): [http://irjabar.bps.go.id/website/pdf\\_publicasi/Indeks-Pembangunan-Manusia-Provinsi-Papua-Barat-2014.pdf](http://irjabar.bps.go.id/website/pdf_publicasi/Indeks-Pembangunan-Manusia-Provinsi-Papua-Barat-2014.pdf)

<sup>25</sup> West Papua in Figures (West Papua Province, Bureau of Statistics, 2015): [http://irjabar.bps.go.id/website/pdf\\_publicasi/Provinsi-Papua-Barat-Dalam-Angka-2015.pdf](http://irjabar.bps.go.id/website/pdf_publicasi/Provinsi-Papua-Barat-Dalam-Angka-2015.pdf)

<sup>26</sup> Making Change Happen: Indigenous and Rural Women in Defense of Land, Territories and Women's Rights (Just Associates, 2014): [https://www.justassociates.org/sites/justassociates.org/files/web\\_mch5\\_2014.pdf](https://www.justassociates.org/sites/justassociates.org/files/web_mch5_2014.pdf)

<sup>27</sup> Labor and Social Trends in Indonesia 2014-2015 (International Labor Organization, 2015): [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms\\_381566.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/publication/wcms_381566.pdf)

<sup>28</sup> Indigenous entrepreneurship by Papuan women in the informal agricultural sector in Manokwari-West Papua Province in Indonesia (Wambrau, L., 2013): <https://researcharchive.lincoln.ac.nz/handle/10182/5395>

Gender mainstreaming will ensure that both women and men equitably participate in and receive benefits from the Blue Abadi fund. Blue Abadi will:

- Systematically integrate gender dimensions into governance, administration and granting levels of trust fund planning, implementation and monitoring;
- Establish functional systems and procedures for governance committee members, implementing agency staff and grantees to undertake gender integration in programs;
- Develop core gender competencies through training and mentoring to integrate gender into trust fund policies, projects and activities, and;
- Create a gender accountability system with procedures to collect gender mainstreaming results and impact.

*Strategy 1: Systematically integrate gender dimensions into governance, administration and granting levels of Blue Abadi planning, implementation and monitoring*

In order to ensure that gender is sufficiently integrated into Blue Abadi planning, policy and procedure development and implementation, a gender advisor will be commissioned to gender mainstream work flow and activities throughout the project cycle. As the Blue Abadi institution is currently in development, it is imperative that the gender advisor work closely with Conservation International and the BHS partners' Sustainable Financing Working Group throughout the design of the Blue Abadi to ensure gender is sufficiently institutionalized in fund processes. Following fund capitalization and operationalization, the gender advisor will work and mentor Blue Abadi governance committees, administrator and grantees during the first year of Blue Abadi implementation focusing on integrating gender-sensitive consultation and communication into fund implementation as well as ensuring the Blue Abadi institution implements gender-sensitive protocols established in Blue Abadi design phase. Furthermore, the gender advisor will oversee the first evaluation of Blue Abadi gender mainstreaming after the completion of the first year of the funding cycle.

Specific actions, indicators and targets required to systematically integrate gender in all dimensions of the project cycle include:

<b>Actions/Activities</b>	<b>Indicator(s)</b>	<b>Target Group</b>
<i>Gender advisor conducts gender mainstreaming activities throughout the project cycle</i>	<ul style="list-style-type: none"> <li>• Sustainable Financing Working Group consults gender advisor who participates and is consulted throughout Blue Abadi design phase</li> <li>• Gender advisor mentors and trains governance committees, administrator and grantees on gender mainstreaming protocol established during design phase</li> <li>• Gender advisor oversees first evaluation of Blue Abadi gender mainstreaming efforts</li> <li>• The Blue Abadi institution consults and delivers information to valuable stakeholder consisting of both men and women during the planning, implementation and monitoring phases of the project, as well as in general project communications.</li> </ul>	<ul style="list-style-type: none"> <li>• BHS Sustainable Financing Team</li> <li>• Fund Committee</li> <li>• Advisory Committees</li> <li>• Administrator</li> <li>• Grantees (MPA Management Bodies, Local Institutions and Small Grant Recipients)</li> </ul>

Specific design, implementation, monitoring and evaluation activities the gender advisor will oversee are detailed in the proceeding strategies.

*Strategy 2: Establish functional systems and procedures for governance committee members, implementing agency staff and grantees to undertake gender integration in programs*

It is critical that Blue Abadi incorporate gender inclusive provisions within institutional policies, procedures and management strategies in order to guarantee Blue Abadi funds equitably benefit both women and men into the future. Provisions for the equitable funding of both women and men will ensure that all projects address gender within their proposals, design, implementation and M&E, and that women-led projects will be encouraged. The integration of gender requires active oversight and contribution into the development of key Blue Abadi governance and administration documents including internal operating procedures for the Fund and Advisory Committees as well as the Administrator, the Blue Abadi Operations Manual, and the the Blue Abadi Strategic Plan.

Specific actions, indicators and targets required to integrate gender into Blue Abadi systems and procedures include:

Actions/Activities	Indicator(s)	Target Group
<p><i>Blue Abadi Fund and Advisory committees internal standard operating procedures and processes are gender equitable and inclusive</i></p>	<p>Blue Abadi internal Fund and Advisory Committee procedures will consult with both men and women in drafting and review process. The following procedures will include provisions for gender inclusivity:</p> <p><i>Committee Nomination and Appointment Process</i></p> <ul style="list-style-type: none"> <li>• Fund and Advisory Committees will maintain equitable representation of both men and women</li> <li>• Appointing entities of Fund Committee members must rotate three-year appointment terms amongst male and female appointees</li> <li>• Terms of Reference for Fund Committee appointment processes will encourage women to be equally considered in the nomination process</li> </ul> <p><i>Committee Proceedings</i></p> <ul style="list-style-type: none"> <li>• Both men and women will have equitable space and time to participate in committee proceedings</li> <li>• The votes of both men and women committee representatives will carry equal weight, and in no circumstances will votes be undermined or discarded on the basis of gender</li> <li>• Fund Committee members will be required to review and revise Blue Abadi governance documents through a gender lens ensuring equitable representation of both women and men in Blue Abadi strategic direction and operations</li> </ul> <p><i>Annual Report</i></p> <ul style="list-style-type: none"> <li>• Fund and Advisory Committees will be required to report on how many male and female representatives are appointed to each Committee</li> </ul> <p><i>Harassment and Ethics</i></p> <ul style="list-style-type: none"> <li>• Non-discrimination and sexual harassment policies will be established for Fund and Advisory Committee members</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Committee</li> <li>• Advisory Committees</li> </ul>

	<p>detailing reporting, penalization or termination procedures for Fund and Advisory Committee members who partake in discriminatory, demeaning or abusive activities</p> <p><i>Monitoring and Evaluation</i></p> <ul style="list-style-type: none"> <li>• Fund Committee will be required to review gender mainstreaming impact report to verify both men and women are benefitting from Blue Abadi funds</li> </ul>	
<p><i>Blue Abadi Operations Manual has provisions to ensure fund operations are gender inclusive</i></p>	<p>The Blue Abadi Operations Manual will consult with both men and women throughout the drafting and review process. The Operations Manual must include:</p> <ul style="list-style-type: none"> <li>• Committee structure design encourages equitable representation of men and women on Fund and Advisory Committees</li> <li>• Guidelines established for ensuring that all projects have a strong gender component in granting scheme, and that encourage women-led projects</li> <li>• Manual outlays terms for the non-funding of grants that contribute to gender-based discrimination or exploitation, or those that are gender blind.</li> <li>• Manual mandates gender mainstreaming of funding administration and disbursement procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Committee</li> <li>• Advisory Committees</li> </ul>
<p><i>Blue Abadi Strategic Plan has measures in place to encourage women-led projects and requires projects to incorporate a strong gender component</i></p>	<p>The Blue Abadi Strategic Plan will consult with both men and women throughout the drafting and review process. The strategic plan must include:</p> <ul style="list-style-type: none"> <li>• Criteria for project funding is inclusive of socio-economic and environmental activities that benefit both women and men</li> <li>• Criteria for projects and organizations ineligible for funding include provisions for projects or organizations that are discriminatory or exploitative to men and women, or which are gender-blind, meaning they do not address gender dimensions at all in the project.</li> <li>• Plan includes Administrator and grantee protocol for consulting with both men and women</li> <li>• Plan includes Administrator and grantee protocol for communicating information about Blue Abadi to both men and women</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Committee</li> <li>• Advisory Committees</li> </ul>
<p><i>Blue Abadi Administrator internal procedures are gender equitable and inclusive</i></p>	<p>Blue Abadi Administrator procedures will consult with both men and women in drafting and review process. The following procedures will include provisions for gender inclusivity:</p> <p><i>Personnel Policies</i></p> <ul style="list-style-type: none"> <li>• Both women and men are targeted and included in Administrator recruitment processes</li> <li>• Both women and men are interviewed for positions within the Administrator</li> <li>• Both women and men are considered for leadership positions within the Administrator</li> <li>• Leave of absence policies for female and male staff include provisions for appropriate maternity or paternity leave</li> <li>• Staff performance evaluations do not discriminate based on gender</li> <li>• Staff performance evaluations measure gender-based discriminatory behavior conducted by Administrator staff</li> </ul>	<ul style="list-style-type: none"> <li>• Administrator</li> <li>• Proposal Review Committee</li> </ul>

	<ul style="list-style-type: none"> <li>• Non-discrimination and sexual harassment policies will be established for the Administrator detailing reporting, penalization or termination procedures for Administrator staff who partake in discriminatory, demeaning or abusive activities</li> </ul> <p><i>Annual Report</i></p> <ul style="list-style-type: none"> <li>• The Administrator will be required to report on how many male and female representatives are working within the organization including their positions and daily responsibilities</li> <li>• The Administrator will be required to report the gender composition of the Proposal Review Committee</li> </ul> <p><i>Grant Administration Procedures</i></p> <ul style="list-style-type: none"> <li>• The request for proposal process will target both men and women, and approach both men's and women's groups</li> <li>• Request for proposals announcement will include language encouraging applications from both men and women, and require projects to address gender aspects</li> <li>• Proposal template will ask grantee to indicate how many women and men will benefit from project</li> <li>• Proposal template will ask grantee the roles and responsibilities of both men and women in the project and how they may be impacted (positively or negatively) by the project</li> <li>• Proposal template will include guidance on creating gender sensitive indicators in monitoring and evaluation section</li> <li>• Grantee contracts will be aligned with gender sensitive consultation, communication and non-discrimination clauses set forth in Blue Abadi Operations Manual and Strategic Plan</li> <li>• Grantees will report on gender sensitive indicators outlined in submitted proposal</li> <li>• Administrator will monitor project according to gender indicators outlined in grantee proposals</li> <li>• Administrator will visually monitor projects to ensure equitable participation and benefit by both women and men in project</li> <li>• Administrator will consult with project beneficiaries to ensure grantee is acting in a non-discriminatory manner to both male and female beneficiaries.</li> </ul> <p><i>Proposal Evaluation Process</i></p> <ul style="list-style-type: none"> <li>• Proposal review committee must be established with an equitable ratio of men to women</li> <li>• Proposal review committee must adhere to gender sensitive funding criteria and allocations set forth in the Blue Abadi Strategic Plan</li> <li>• The gender advisor will design guidance on what the review committee should be looking for and how to judge the effectiveness of the gender component</li> <li>• Proposal review committee will act in a non-discriminatory manner toward the proposals submitted by both women and men</li> <li>• Proposal review committee must adhere to Blue Abadi non-discrimination and sexual harassment policies</li> </ul> <p><i>Monitoring and Evaluation</i></p> <ul style="list-style-type: none"> <li>• The Administrator will be required to review gender mainstreaming impact report to verify both men and women are benefitting from Blue Abadi funds</li> </ul>	
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Strategy 3: Develop core gender competencies through training and mentoring to integrate gender into



*Blue Abadi governance committees, administrator and grantee projects and activities*

The Blue Abadi fund has the potential to make tremendous impact on the well being of and conservation efforts by both women and men. In order to make sure that the Blue Abadi governance committees, administrator and all grantees understand gender dimensions of Blue Abadi operations, impact, project development and implementation, as well as the importance of equitably including both women and men in marine resource stewardship, a total of six gender trainings will be conducted. Trainings will include curriculum on existing Blue Abadi procedures as well as best practices and lessons learned in implementing gender and conservation programs. Trainings will give participants the tools to conduct gender mapping and gender analysis, and provide practical guidance on how gender can be effectively mainstreamed at the institutional and programmatic levels of Blue Abadi. Follow up mentoring will be conducted with the Administrator and Blue Abadi grantees to ensure that training has been sufficiently understood and is integrated into programs and projects.

Blue Abadi grantees will be further supported to increase knowledge and understanding of gender-sensitive marine stewardship by facilitating the sharing of best practices in gender-sensitive marine stewardship in an annual capacity building workshop for Blue Abadi grantees. Grantees will have the opportunity to present lessons learned from Blue Abadi projects through a gender lens addressing how projects impact men and women differently in their communities. The workshop will also provide a forum for grantees to learn new strategies that promote gender equity from peers and experts, as well as follow up on gender concepts from gender training.

Specific actions, indicators and targets required to develop core gender competencies include:

<b>Actions/Activities</b>	<b>Indicator(s)</b>	<b>Target</b>
<i>Gender training for Blue Abadi Fund and Advisory Committees</i>	A minimum of one training will be conducted with the Blue Abadi Fund and Advisory Committees that covers the following gender aspects: <ul style="list-style-type: none"> <li>• Importance of using a gender lens in conservation finance</li> <li>• Gender analysis and mapping</li> <li>• How MPAs impact men and women’s needs differently</li> <li>• Analyzing Blue Abadi impact through a gender lens</li> <li>• Socialization of institutional processes and procedures that reduce gender inequity</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Committee</li> <li>• Advisory Committees</li> </ul>
<i>Gender training and mentoring for Blue Abadi Administrator</i>	A minimum of one training will be conducted with the Blue Abadi Administrator that covers the following gender aspects: <ul style="list-style-type: none"> <li>• Importance of gender in conservation</li> <li>• Gender analysis and mapping</li> <li>• Creating gender sensitive indicators</li> <li>• Analyzing project impact through a gender lens</li> </ul>	<ul style="list-style-type: none"> <li>• Administrator</li> </ul>

	<ul style="list-style-type: none"> <li>• Consultation procedures</li> <li>• Socialization of institutional processes and procedures that reduce gender inequity</li> </ul>	
<i>Gender training for Blue Abadi proposal review committee</i>	<p>A minimum of one training will be conducted with the Blue Abadi proposal review committee that covers the following gender aspects:</p> <ul style="list-style-type: none"> <li>• Importance of gender in conservation</li> <li>• Gender analysis</li> <li>• Analyzing gender sensitive indicators</li> <li>• Guidelines for understanding gender impact of proposed projects</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal review committee</li> </ul>
<i>Gender training and mentoring for Blue Abadi grant recipients</i>	<p>A minimum of three trainings will be conducted with Blue Abadi grantees that cover the following gender aspects:</p> <ul style="list-style-type: none"> <li>• Importance of gender in conservation</li> <li>• Gender analysis and mapping</li> <li>• How to develop equitable conservation activities for women and men</li> <li>• Creating gender sensitive indicators</li> <li>• Consultation procedures</li> <li>• Organizational protocol</li> </ul>	<ul style="list-style-type: none"> <li>• MPA Management Bodies</li> <li>• Local Institutions</li> <li>• Small Grants Recipients</li> </ul>
<i>Best practices in gender-sensitive marine stewardship workshop</i>	<p>An annual best practices workshop with all Blue Abadi grantees and will discuss:</p> <ul style="list-style-type: none"> <li>• Gender mainstreaming results</li> <li>• Gender inclusive projects</li> <li>• Participation of women and men in projects</li> <li>• Challenges in delivering gender-integrated conservation projects</li> <li>• New ideas for gender-integrated marine conservation projects</li> </ul>	<ul style="list-style-type: none"> <li>• MPA Management Bodies</li> <li>• Local Institutions</li> <li>• Small Grants Recipients</li> </ul>

**Strategy 4: Create a gender accountability system with procedures to collect gender mainstreaming results and impact**

The gender mainstreaming impact assessment identifies how Blue Abadi has strategically mainstreamed gender aspects in the institutional management and programmatic delivery of the fund and to identify achievements, challenges, lessons learned and provide recommendations. It is regarded as an opportunity for Blue Abadi to increase its understanding of what has “worked” or “not worked” in the attempts to mainstream gender concerns across governance, administration and granting levels of the fund.

Specific actions, indicators and targets required to ensure accountability on gender and analyze gender mainstreaming impact include:

<b>Actions/Activities</b>	<b>Indicator(s)</b>	<b>Target</b>
<i>Gender mainstreaming impact assessment</i>	<p>An impact assessment of the Blue Abadi fund will be designed to measure the extent men and women have benefitted from the project at institutional and programmatic levels. The following suggests key indicators to be included in impact assessment design:</p> <p><i>Institutional inclusivity of gender through policies and procedures</i></p> <ul style="list-style-type: none"> <li>• Ratio of female: male Fund Committee members</li> <li>• Ratio of female: male Advisory Committee members</li> <li>• Ratio of female: male staff within Administrator</li> </ul>	<ul style="list-style-type: none"> <li>• Fund Committee</li> <li>• Advisory Committee</li> <li>• Administrator</li> <li>• Grantees (MPA Management Bodies, Local Institutions and Small Grants Recipients)</li> </ul>

	<ul style="list-style-type: none"> <li>• Presence of standard operating procedures on gender-based discrimination and harassment</li> <li>• # of reports of gender-based discrimination and harassment</li> <li>• Presence of standard operating procedures on safety in the workplace</li> <li>• # of reports of gender-based safety in the workplace issues</li> <li>• % of funding allocated to women-led projects</li> <li>• % of activities that have gender equality as a principal objective</li> <li>• % of activities that have gender equality as a significant objective;</li> <li>• % of activities that will contribute in some way to gender equality, but not significantly</li> <li>• % of activities that are not expected to contribute noticeably to gender equality.</li> <li>• # of women in leadership role within Administrator</li> <li>• # of proposals submitted by women's groups</li> <li>• # of proposals funded to women's groups</li> </ul> <p><i>Programmatic impact on both women and men</i></p> <ul style="list-style-type: none"> <li>• # of women and men reached by each grant</li> <li>• # of women and men consulted in grant design</li> <li>• # of women and men consulted in grant implementation</li> <li>• # of women and men consulted in grant monitoring</li> <li>• % of women and men reporting socio-economic benefit from grant</li> <li>• % women and men reporting adverse socio-economic benefits from grant</li> </ul>	
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