

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC622

Date ISDS Prepared/Updated: 24-Aug-2012

I. BASIC INFORMATION

A. Basic Project Data

Country:	Indonesia	Project ID:	P127813
Project Name:	Coral Reef Rehabilitation and Management Program Phase III (P127813)		
Task Team Leader:	Marea Eleni Hatziolos		
Estimated Appraisal Date:	13-Nov-2012	Estimated Board Date:	28-Mar-2013
Managing Unit:	EASIS	Lending Instrument:	Adaptable Program Loan
Sector:	General agriculture, fishing and forestry sector (50%), Public administration-Agriculture, fishing and forestry (25%), Sub-national government administration (25%)		
Theme:	Biodiversity (60%), Climate change (20%), Micro, Small and Medium Enterprise support (20%)		
Financing (In USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			10.00
International Bank for Reconstruction and Development			50.00
Global Environment Facility (GEF)			12.00
Financing Gap			12.00
Total			72.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	Yes		

B. Project Objectives

The development objective of COREMAP Phase III is to provide communities with the capacity and incentives to co-manage their coral reefs sustainably, through support for: (a) more effective local governance; (b) livelihoods development and business innovation based on coral reef ecosystem goods and services; and (c) knowledge creation, dissemination and regional networking.

C. Project Description

COREMAP III will have a district level focus with strong emphasis on community development and conservation of the natural resources base, for the direct benefit of users. Through improved governance arrangements at the District and Village levels, the project will introduce better management practices, and policy incentives to catalyze behavioral change by all key stakeholders. The project aims to protect a percentage of coral reefs as no-take zones to serve as sanctuaries for biodiversity and to help restore degraded fish stocks. Other ecosystem services include coastal protection during storm surge, reduced flooding and saltwater intrusion in low lying areas, maintenance of water quality and tourism amenity values, and carbon sequestration in mangroves and seagrass beds. No-take zones will also serve as sources of recruitment for corals, fish, and other threatened species, as well as provide critical habitat in the life history of many species which are pelagic or migratory as adults. In addition to supporting protection of no-take zones, the project will introduce best fisheries management practices (including minimum size and allowable take limits, closed seasons during spawning, and sustainable gear/fishing practices) to help rebuild over-fished stocks in traditional fishing grounds. Through protecting the functional integrity of healthy reefs and restoring ecological function to degraded reefs and fish stocks, natural resource rents can be harvested from ecosystem services and wealth created at the local, community level. This will create the kinds of incentives that will re-enforce behavioral change leading to long-term stewardship of coral reefs and related ecosystems.

Significant support for alternative livelihoods will be introduced through introduction of financially viable eco-enterprises at the Village and District levels. These alternatives are meant to provide greater returns to labor and should help drive the behavioral change and shift away from overfishing in areas where catch per unit effort has been declining steadily and composition of the catch and its value are also being eroded. Given the importance of women's involvement in the artisanal fisheries sector and their potential role in contributing to cottage industries like artisan handicrafts and eco-tourism, including home stays and vegetable gardening, etc., the gender dimension will be a priority. Once community revenues are building and profits invested in social development activities, women and children will benefit disproportionately, if investments are made in community health, education and nutrition. Expected benefits include increased revenues and resilience resulting from diversification and upgrading (higher markets) of activities of the participating communities, which will contribute to reduce the pressure on the natural resources and subsequently generating global benefits in terms of biodiversity, and integrity of fish stocks and threatened migratory species.

Based on the above approach, four components are envisaged:

Component 1: Consolidation and Extension of the COREMAP Model. This component will strengthen capacity for sustainable local governance of coral reef resources in 350 existing COREMAP sites and scale up co-management activities in an additional 100 villages across 8 project districts. New villages will be selected on the basis of priority seascapes under the Coral Triangle Initiative.

The first set of activities are focused on COREMAP model scale-up, and will include: (a) community empowerment, consisting of training on sustainable coral reef fisheries, baseline establishment through rapid rural appraisals, community study tours and visits, village facilitation and technical assistance through local level teams, and establishment of village information centers and communication arrangements; (b) community-based coral reef management, consisting of participatory resource assessment and mapping, preparation of village coral reef management plans with legal basis, establishment of village sanctuaries (no take zones), community monitoring of reefs

and related eco-systems, and collaborative surveillance and enforcement; (c) institutional strengthening, consisting of training implementing agency and government staff on marine protected area and coral reef resources management, updating local legislation and national policy, using bio-physical and socio-economic information generated under the project, conducting research, and providing technical assistance and operational expenses support to local project management units; and (d) support for preparation of district marine resources strategic plan, networking the marine conservation areas within and across districts, and for co-management of national and smaller marine protected areas. These activities will support preparation of coral reef management plans, surveillance support for marine protected areas, and feasibility studies for sustainable financing of marine protected areas.

The second set of activities will involve a demonstration of the eco-system based approach to coral reef management. The project will support innovative initiatives such as: (a) valuation of coral reef eco-system services; (b) marine spatial planning which will focus on district level integrated zoning, licensing, and permitting of tourism, fisheries, conservation, and transport-related activities, including use of GPS-based spatial data and harmonization of key regulations in competing sectors; (c) determination of impacts from ridges to reefs; (d) development and piloting of access-right based governance system in designated zones; and (e) promoting carbon sequestration in coastal areas (REDD+ and Blue Carbon for carbon offsets). These activities will be co-financed by the GEF.

The third set of activities will focus on developing a framework for addressing climate variability risk in this sector through vulnerability assessments of 5-6 pilot sites, determination of climate change adaptation strategies, investing in green infrastructure for climate change adaptation, and training coastal communities on climate change adaptation.

Component 2: Community livelihoods and Demonstration of Eco-Business Innovation. This component will support nature-based revenue-generating activities at the community/village level and eco-business hubs at the district level.

At the community/village level, the project will support: (a) development of a livelihood diversification strategy based on eco-business opportunities; (b) identification of a menu of potentially marketable products, based on the guiding principle of reducing pressure on coral reefs, improving environmental quality, and sustaining eco-system services and community welfare, in which communities could engage at the community or cooperative level; (c) provision of technical assistance to the locally-formed and operationalized community-based enterprises in the form of market research, eco-certification and branding, preparation of feasibility studies and business plans; (d) provision of venture capital through a revolving fund at the local level or loans through partnership with a local rural financial institution. Support for some of the needed green venture capital would come from GEF co-financing under the Biodiversity Focal Area.

At the district level, the project will provide access to finance and technical assistance, including applied research and innovation (see Component 4 below) to support eco-business enterprises. Investment options could include eco-tourism (hi-end low impact boutique resorts eco-tourism; home stays; guided tours/recreation/adventure tourism featuring natural and cultural amenities of the region dependent on high quality environment), artisan crafts development and marketing (to local eco-resorts or for export), mariculture (large scale/offshore in district-zoned areas; nearshore/community reef-based, reef ranching), fisheries value chain processing, certification and marketing, REDD+ and Blue carbon markets for mangrove/wetlands conservation, carbon offsets on voluntary market initially (corporate social responsibility for corporations that want to purchase carbon

credits), biodiversity conservation premiums for healthy mangrove/coral reef complexes (focus in West Papua and Papua), and investing in Green infrastructure for climate change adaptation.

Component 3: Communication, Dissemination and Replication. This component will continue with the public awareness campaigns and education program, and also support the process of extending the COREMAP approach to the Phase III districts through dissemination of materials and cross-visits, and documenting the COREMAP approach for replication in non-project areas.

Component 4: Management, Research and Monitoring, and Coordination. The first set of activities under this component will enhance government institutional structures to implement the project and monitor critical performance indicators. The activities would focus on: (a) supporting the National Coordination Unit in the Ministry of Marine Affairs and Fisheries, and the management capacity of program management units at the district level; (b) coral reef research and reef health monitoring; (c) fisheries research and district level fisheries population and bio-diversity monitoring; (d) continuation of the Sea Partnership program under which sector responsive research areas are funded; and (e) any legal and policy issues.

The second set of activities would relate to adaptive research in support of an ecosystem-based approach to management (i.e. designing ecologically resilient networks of Marine Protected Areas and other Marine Spatial Planning, valuation of ecosystem services, and assessing and addressing climate variability and risk) under component 1, and access to needed knowledge and innovation to support the development and marketing of eco-business models under Component 2. These research activities would be supported mainly under a regional GEF Targeted Research and Innovation Project, "Capturing Coral Reef and related Ecosystem Services" (CCRES), under the GEF/WB IW Program Framework, "Scaling up of Partnership Investments for Sustainable Development of Large Marine and Coastal Ecosystems of the East Asia Region" of which COREMAP III would also be a part.

The third set of activities will focus on coordination with other projects and government programs. The project will support incorporation of the project into the broader CTI framework, and enhance linkages with other related projects and government programs, such as the WB/GEF IW Program and CCRES project noted above, as well as the IFAD Coastal Communities Development Project (in preparation). It will also create an opportunity to link up with Green PMPN (National program of community driven development) as a platform for scaling up the COREMAP model beyond COREMAP project sites. This could conceivably be achieved by Government and PNPM institutions with little direct investment by COREMAP III, other than some training of trainers and community facilitation, leaving much of replication and scaling up to Local Government.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in 8 districts under 7 provinces on the Eastern Coast of Indonesia. These are Kabupaten Buton and Wakatobi in Southeast Sulawesi, Kabupaten Pangkep and Selayar in South Sulawesi, Kabupaten Sikka in East Nusa Tenggara, Kabupaten Biak in Papua, Kabupaten Raja Ampat in Papua Barat and the new participating Kabupaten, Minahasa Utara in North Sulawesi.

Approximately 450 villages including 350 villages which participated in COREMAP II and 100 new villages located in these areas and dependent on the reefs for their livelihood will be eligible for participation in the program. New villages will be chosen based on ecological criteria and are located in the coral triangle, considered to be the world's best remaining coral reefs. Their involvement in the

program is entirely voluntary. Finally, the indigenous people (Bajo) living in the program area are specifically targeted since they are most dependent on the reefs for their livelihood and have the most to gain from increasing the productivity of the reef fisheries through collaborative management and sustainable use.

E. Borrowers Institutional Capacity for Safeguard Policies

This is a nationally coordinated and decentralized program in implementation. The Ministry of Marine Affairs and Fisheries (MMAF) will be the project's main executing agency, with a national level Steering Committee, Technical Committee, and a National Coordination Unit (NCU) for the project implementation. The NCU will work in collaboration with National Project Implementation Unit (NPIU) of the Institute of Sciences (LIPI), and of the Ministry of Forests/DG of Forest Protection and Nature Conservation. At local level, each district has a project management unit with the provincial governments playing a facilitating role.

At NCU, there were 3 persons, 2 ministry staff and 1 consultant, assigned to be in charge of safeguards. During 2011, these staff attended safeguard training in the World Bank Jakarta Office and also joined a World Bank safeguard mission to assess existing project compliance with Safeguards and to learn from the field. There is still a need to build capacity on safeguards issues by national and local project implementation units. Additional training workshops will be conducted during the preparation of COREMAP III.

Lessons learnt from COREMAP II, including the assignment of a focal contact point at the NPIU endorsed by the NCU, to work closely with the Bank's safeguard specialist, will be adopted in COREMAP III to guide preparation and implementation of the negative list, ECOPs, IPPF, Process Framework and to design measures to mitigate risks associated with specific social and environmental issues. These include positive actions, like ensuring transparency in the identification of grant recipients under the alternative livelihoods component of the projects, ensuring that all donations of land for construction of Village Information Centers and other public goods are documented by signed affidavits and posted in the Village Information Center. Compliance with positive and negative lists will be better monitored under COREMAP III. This can be reinforced through a training program organized by the NCU Safeguards Focal Point for Village mobilizers/facilitators so that the information is extended to community members.

F. Environmental and Social Safeguards Specialists on the Team

Ninin K. Dewi (EASIS)

Krisnan Pitradjaja Isomartana (EASIS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	Based on a review of around 30 proposed sub-activities of the four major project components, the COREMAP III project is unlikely to have any large-scale, significant or irreversible impacts on the environment. The project will focus on the protection of coral-reef ecosystems through community empowerment and capacity building for the ecosystem based management,

	<p>promoting sustainable alternative livelihoods, communication and networking, coordination with other programs in the region and scaling up.</p> <p>Project activities such as community monitoring and surveillance program, study tour, research and eco-tourism activities will take place in some protected areas of the coastal/marine environment. Alternative livelihoods will be developed, based on coral reef and mangrove ecosystems goods and services. The eco-enterprises are meant to relieve pressure on coral reef fisheries, which are currently overfished. These alternative income generating activities include mariculture, pro-poor tourism, handicrafts development and possibly blue carbon verification, monitoring and reporting for carbon offsets from mangrove forests and sea-grass beds in the voluntary carbon markets.</p> <p>Thus, some potential environmental impacts might be generated from the setting up of hatcheries, refurbishing dwellings for home stays and other tourism activities, solid waste management, waste water treatment, energy management, chemicals handling and hazardous waste management, etc. Although these will be site-specific and classified as either Category B or C from the environmental view-point, the environmental instrument to mitigate the impacts shall be prepared.</p> <p>Component 2 of the project will also involve some physical investments under the village grant program such as the construction of public toilets, water wells, simple drainage, road, bridges and water supply system etc. However, the project will not finance any construction or major physical activities that would result in the conversion or degradation of coral-reef ecosystem.</p> <p>Negative list screening will continue to be required for any activities under the Village Grants or micro-projects sub-component to ensure that ineligible activities (including</p>
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		<p>unsustainable fishing gear and practices) are not funded in the scaling up of this component.</p> <p>An assessment of the experience of COREMAP II on the application of the Environmental and Social Impact Management Framework (ESIMF) result in the fact that it was not as useful a tool in guiding compliance with the Bank Environmental and Social Safeguards as intended, therefore a more operational instrument will be developed under COREMAP III. This will be a simple Environmental Code of Practice (ECOP) to cover both the Environmental Assessment (OP/BP 4.01) and Natural Habitats (OP/BP 4.04) safeguards, to cover the potential environmental impacts mentioned above.</p>
Natural Habitats OP/BP 4.04	Yes	<p>Project activities will take place in some protected areas of the coastal/marine environment such as community monitoring and surveillance program, study tour, research and eco-tourism activities. Although the project will not finance any construction or major physical works in these areas, or activities that lead to the conversion or degradation of the reefs and the project is eventually aimed to protect the coral-reefs ecosystem and to enhance the sustainable management, a precautionary principle will still need to be applied and included in the ECOPs or SOPs for any activities carried out in this area.</p>
Forests OP/BP 4.36	No	<p>The project will not finance activities that would involve significant conversion or degradation of critical forest areas or related critical natural habitats as defined under the policy. No net loss of mangroves would occur as a result of project activities, to the contrary, the project would support management interventions to protect the ecological integrity of these systems and allow communities to benefit from the ecosystem services they provide. Among the alternative livelihood activities to be explored under COREMAP II would be the possibility of developing carbon offsets for carbon stored in mangroves wetlands and sea-grass beds (e.g, Blue Carbon). If successful in generating revenue streams from the sale of Carbon Emissions Reduction Credits, Blue Carbon</p>

		market would create added incentives for communities to invest in protecting these valuable coastal wetlands.
Pest Management OP 4.09	No	The project will not procure any pesticides, nor will any use of pesticides result from the project.
Physical Cultural Resources OP/ BP 4.11	No	Project activities affecting archeological, paleontological, historical, religious, or unique natural values as defined under the policy will not be eligible for support. Standard appropriate clauses will be included in all construction contracts regarding the procedures to be followed in the event of 'chance finds' of culturally significant artifacts.
Indigenous Peoples OP/BP 4.10	Yes	<p>The project is a continuation of the COREMAP II and could have an IP presence in some of the selected villages for project activity. The project will specifically target the indigenous peoples group Bajo in two districts in Southeast Sulawesi (Buton and Wakatobi), where they are the minority, to ensure that they are involved and benefit from the project. Other areas will also have indigenous peoples, including in Papua.</p> <p>Lesson learned from the COREMAP II, in particular in Kabupaten Buton and Wakatobi where the Bajo communities are present, demonstrate that no adverse impacts are identified with the implementation of the project. The key issue is that the project will need to ensure the involvement of the indigenous groups, particularly in areas where the IP groups are a minority. The project will ensure that information reaches these IP groups and they get an equal opportunity to benefit from activities initiated by the project.</p> <p>Therefore, a social assessment will be undertaken during project preparation, and will inform the preparation of a simple IPPF, commensurate with the expected project impacts, to ensure that his OP provisions are taken into consideration when preparing sub-projects in areas with indigenous people.</p>
Involuntary Resettlement OP/BP 4.12	Yes	The project does not anticipate acquiring any land or resettling any people. Any piece of land

		<p>that is acquired will be done through voluntary donations. The project will keep a record of all such transactions and also ensure that any lands donated by the local authorities are free from squatters.</p> <p>Experience of COREMAP II, there were small-scale physical activities which requiring land, such as for the construction of the Village Information Centers. The lands for these facilities were donated by land owners in the community who are also project beneficiaries. It is very likely that in COREMAP III, land donation will also take place.</p> <p>Any form of involuntary resettlement will not be eligible for IBRD-financing under COREMAP III. In case acquisition of land is required (e.g. for a new construction of a meeting place or health centre, etc) a written evidence will need to be provided by an elected village forum that the land has been voluntarily contributed by the community as a whole and that no individual will be negatively affected by such land acquisition. No sub-projects requiring land acquisition (with compensation) or involuntary resettlement will be financed under the project.</p> <p>Component 1 will support the establishment of village level no-take zones which will provide access restriction to villagers from fishing from those areas. This proposed access restriction caused by the establishment of no-take zones triggers the policy. The borrower will prepare a Process Framework to address any impacts as a result of this access restriction.</p>
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams, nor will it rely on the performance of an existing dam or a dam under construction.
Projects on International Waterways OP/BP 7.50	No	There are no known project components involving international waterways as defined under the policy. None of the project sites will be in the international water boundaries.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any known disputed areas as defined under the policy.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Nov-2012

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The project will prepare the following safeguards documents (please also indicate when these plans will be available)

1. Environmental Code of Practice (ECOP) for typical village grant program.

During the Project Preparation Mission, the task team will review and the update the negative lists and environmental codes of practice (ECOPs) needed for the project.

The negative list of activities which will not be supported under the component e.g., collection of juvenile fish in the wild for grow-out/aquaculture, construction of hatcheries in sensitive habitats), use of destructive fishing gear, purchase of certain equipment (e.g., boat engines for fishing in near shore waters), and the sitting of activities incompatible with the stated management objectives of a given area (e.g., fishing or fish farming in No-Take Zones), which could degrade the environment, introduce disease or deplete natural populations).

The borrower will also prepare Environmental Codes of Practice (ECOPs) based on the experience of previous COREMAP projects to mitigate any potential impacts from the small-scale investments financed under the grant. These include, for example, activities supported with Village Grants, Micro-credit/Seed Funds for alternative income generation, small civil works associated with the establishment of the Village Information Center, etc. The same ECOP instrument would also be used to qualify activities that could be carried out in Natural Habitats like coral reefs and mangroves with project support, to ensure compliance with the Natural Habitats Safeguard (OP/BP 4.04).

The updated negative list and the ECOPs would be placed in the General Guidelines of Community Based Management and the technical manual for access to grant or other concessional funds under the Project in support of Alternative Livelihoods.

2. Indigenous Peoples Planning Framework.

A social assessment will be undertaken during project preparation, and will inform the preparation of a simple IPPF, commensurate with the expected project impacts, to ensure that his OP provisions are taken into consideration when preparing sub-projects in areas with indigenous people.

The IPPF will include simple procedures to ensure that indigenous peoples benefit in culturally appropriate ways through a free prior and informed consultation process leading to broad community support for sub-projects. As in COREMAP II, any community-based management activities would be carried out with the full consent of the communities and enshrined in a Village decree (Perdes).

The IPPF will be disclosed in local language prior to project appraisal. In areas where indigenous peoples are the majority beneficiaries of a sub-project the sub-project document itself will include

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

the elements of an IPP. In cases where indigenous peoples are the minority, a simple IPP would be prepared to ensure that they benefit from, and are not adversely affected by, a respective sub-project. The IPPF provisions will also be incorporated into the Operations Manual. Sub-project IPPs will be locally disclosed also in the local language of the indigenous peoples groups.

3. Process Framework

While there will be no physical resettlement under the Project, the possibility of economic displacement may occur to the extent that fishers will be giving up some of their fishing grounds with the voluntary establishment of Village No-Take Zones designed to allow fish stocks to recover, conserve sensitive coral reef habitats and generate benefits to both fisheries and tourism activities. Process Framework for any Economic Displacement will be prepared and linked to Alternative Livelihoods under Component 2 of the Project.

4. Timeline

All three safeguard documentations (ECOP, IPPF and Process Framework) will be prepared and submitted to the Bank at the end of the appraisal stage in December 2012.

IV. APPROVALS

Task Team Leader:	Name: Marea Eleni Hatzios	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Panneer Selvam Lakshminarayanan (RSA)	Date: 11-Sep-2012
Sector Manager:	Name: Franz R. Drees-Gross (SM)	Date: 31-Aug-2012