



ADAPTATION FUND

AFB/B.42-43/11  
21 June 2024

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Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION  
DATE: THE PARTNERSHIP FOR GOVERNANCE  
REFORM (INDONESIA)**

## Background

1. The Adaptation Fund Board (the Board) during the intersessional period between its thirty-fifth a. and thirty-fifth b. meeting, approved a three-year project titled “Safekeeping-Surviving-Sustaining towards Resilience: 3S Approach to Build Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province” submitted by the Partnership for Governance Reform (Kemitraan) for a total amount of US\$ 5,972,670 (Decision B. 35.a-35.b/50).

2. The overall objective of the project is to build resilience in the city of Pekalongan, to the adverse impacts of climate change through soft and hard interventions building communities’ socio-economic and institutional capacity to cope with climate change. This will be achieved through the following outcomes: (i) Enhancing protection along the coastal line of Pekalongan City; (ii) Enhancing coastal community capacity through the following measures: (a) Developing and implementing Local Climate Change Adaptation Action Plan (RAD API), and a climate change information system; (b) Strengthening vertical coordination by enhancing provincial government’s capacity in mainstreaming climate change adaptation and resilience into Central Java Province development plan which in turn could foster better climate-related policy on climate financing and bottom-up planning; and (c) Strengthening vertical coordination and collaboration between national and local government in climate adaptation, and fostering knowledge, toolkits and methodologies on coastal resilience for the national government; and (iii) Improving community’s resilience through alternative livelihoods and improvement of sanitation facilities.

3. As mandated by the decision, an agreement was prepared and signed between the Board and Kemitraan in January 2021 and the project started implementation on 15 July 2021.

4. The project implementing entity submitted one project performance report (PPR), which has been cleared by the secretariat, and as of 29 February 2024, an amount of US\$ 4,769,865 including the project fees, has been disbursed by the trustee, which corresponds to 79.8% of the approved grant.

5. On 8 August 2022, Kemitraan informed the secretariat that a decision was made by the Province of Central Java and the Municipality of Pekalongan during the approval process of Kemitraan’s proposal to construct one of the main adaptation infrastructures the project had intended to deliver (i.e., the construction of a 300 m breakwater), using its own budget. Given the above situation, Kemitraan proposed to construct two 150-meter-long breakwaters instead, in a different location than initially envisaged. The secretariat subsequently informed Kemitraan in September 2022 that some of the provisions of the Annex 7 of the Fund’s Operational Policies and Guidelines were triggered by such a request, and that it had to obtain prior approval from the Board following a full technical review of the revised project document by the Project and Programme Review Committee (PPRC). The secretariat also requested Kemitraan to not implement any of the proposed activities until the request for changes was reviewed and approved by the PPRC and the Board. Since then, Kemitraan has strived to address Corrective Action Requests (CARs) and Clarification Requests (CRs) raised by the secretariat as part of the technical review of the revised project document. As soon as Kemitraan addresses these CARs and CRs, the secretariat will prepare and submit this request for change to the PPRC for review and recommendation, and subsequently to the Board for approval.

6. On 18 April 2024, Kemitraan submitted a request for a regular twelve-months no-cost extension of the project completion date from 15 July 2024 to 14 July 2025 (see annex 1). The extension is needed in light of the adjustments intended to be made by Kemitraan to the project design, as outlined in the memo shared by Kemitraan, and described in paragraph 5 above.

### **Secretariat's review of the request**

7. Following a review of the request by the secretariat and considering the explanation provided by Kemitraan, the secretariat is of the view that this twelve-months no-cost extension request is justified. As evidenced by the memo provided by Kemitraan (Annex 1), it is noted that this request would allow sufficient time to deliver all remaining activities.

8. Finally, the secretariat acknowledges that this no-cost project extension request has been endorsed by the Designated Authority, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

### **Recommendation**

9. The Board may consider and decide to approve the request for a twelve-months no-cost extension of the project completion date from 15 July 2024 to 14 July 2025, for the project "Safekeeping-Surviving-Sustaining towards Resilience: 3S Approach to Build Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province" as requested by Kemitraan.

### **Annex**

1. Request for an extension of the project completion date from Kemitraan.

## Annex 1: Request for an extension of the project completion date from Kemitraan

AFB/B.34-35/6

### ANNEX A: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME

*Request for extension of project/programme completion date*

<b>Implementing Entity Name:</b> KEMITRAAN (PARTNERSHIP)			
<b>AF Project/programme ID:</b> IDN/NIE/Multi/2017/1			
<b>Project/programme Title:</b> “Safekeeping-Surviving-Sustaining towards Resilience: 3S Approach to Build Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province”			
<b>Country:</b> Indonesia			
<b>Project/Programme Approval (date)</b>	Sept 23, 2020		
<b>Expected Project/programme Completion (date)</b>	Jul 15, 2024	<b>Proposed Revised Completion (date):</b>	Jul 14, 2025

*Reasons/justifications for the extension of project/programme completion:*

In December 2023, the Adaptation Fund (AF) Project in Pekalongan has been implemented for around 2.5 years. However, a few outputs, in specifically under Project Component 1, have been facing delays as a result of adjustments on project approaches and designs. These adjustments create potential delays for completing the Project.

Major adjustment to be undertaken is related to the coastal protection construction. The type of the construction agreed upon between the Municipal Government of Pekalongan City, the Designated Authority (DA) of the Adaptation Fund in Indonesia and KEMITRAAN is the Rubble Mound Breakwater, which will be constructed in front of the city’s Mangrove Information Centre in the *Kelurahan Kandang Panjang*.

The changes were recommended to KEMITRAAN based on a thorough assessment in which FGDs and series of intensive coordination between KEMITRAAN, the Pekalongan City Government, the DA, a group of coastal experts and academics were conducted. It is also noted that to ensure smooth and clean installment of the breakwater construction, the requirements –including stakeholders’ approvals and risk mitigation planning- may impose further delays of implementation including a lengthy process to gather construction permits.

KEMITRAAN has conducted follow-up actions to ensure that Breakwater Construction has met the AF Requirements by establishing the Breakwater’s Detailed Engineering Design (DED) in which the Environmental Management Measures and Environmental Monitoring Measures (UKL-UPL) document was based on. At the moment, the UKL-UPL draft has been submitted to be processed. In line with this, KEMITRAAN has proposed a specific document on the changes of activities, outputs and budgets of AF Pekalongan to the AF Secretariat. In addition, an extensive Environmental Social Impact Assessment in compliance to AF regulation is required to proceed with the construction.

Based on the abovementioned situations, it is predicted that this particular project component may only commence in July 2024.

Hence, we would like to propose a one-year no-cost-extension of the project, which will extend the duration of the project until 14 July 2025 in order to delivering the project components in complete, effective and efficient manner, and to ensure greater benefits to the community of the Pekalongan City.

*Implementing Entity certification*

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.



**Laode M. Syarif**  
**Executive Director Kemitraan**  
**Implementing Entity Coordinator**

Date: *(April 18, 2024)*

Project Contact Person: Abimanyu S. Aji

Tel. and Email: [abimanyu.aji@kemitraan.or.id](mailto:abimanyu.aji@kemitraan.or.id)  
[+6221-2278-0580](tel:+6221-2278-0580)