



## **Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries**

### **Part I: Project Information**

#### **GEF ID**

10611

#### **Project Type**

MSP

#### **Type of Trust Fund**

GET

#### **CBIT/NGI**

☐ CBIT

☐ NGI

#### **Project Title**

Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries

#### **Countries**

Palau

#### **Agency(ies)**

UNDP

#### **Other Executing Partner(s)**

Palau International Coral Reef Center

#### **Executing Partner Type**

Government

#### **GEF Focal Area**

Biodiversity

#### **Taxonomy**

Transform policy and regulatory environments, Influencing models, Demonstrate innovative approaches, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Convene multi-stakeholder alliances, Biodiversity, Focal Areas, Financial and Accounting, Conservation Trust Funds, Conservation Finance, Species, Threatened Species, Protected Areas and Landscapes, Productive Landscapes, Coastal and Marine Protected Areas, Biomes, Coral Reefs, Mainstreaming, Certification -National Standards, Certification - International Standards, Civil Society, Stakeholders, Community Based Organization, Non-Governmental Organization, Academia, Indigenous Peoples, Local Communities, Type of Engagement, Information Dissemination, Consultation, Partnership, Participation, Communications, Education, Behavior change, Awareness Raising, Beneficiaries, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Gender results areas, Access to benefits and services, Capacity Development, Participation and leadership, Knowledge Generation and Exchange, Targeted Research, Capacity, Knowledge and Research, Knowledge Generation, Knowledge Exchange, Innovation, Learning, Theory of change, Indicators to measure change, Adaptive management

#### **Rio Markers**

##### **Climate Change Mitigation**

Climate Change Mitigation 0

##### **Climate Change Adaptation**

Climate Change Adaptation 1

##### **Submission Date**

12/15/2020

##### **Expected Implementation Start**

7/1/2021

##### **Expected Completion Date**

6/30/2025

##### **Duration**

48In Months

##### **Agency Fee(\$)**

173,516.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
BD-1-1	Improve policies and decision-making, informed by biodiversity and ecosystem values Manage biodiversity in landscapes and seascapes	GET	910,557.00	7,520,150.00
BD-2-7	Enhance effectiveness of protected area systems	GET	915,927.00	9,729,850.00
<b>Total Project Cost(\$)</b>			<b>1,826,484.00</b>	<b>17,250,000.00</b>

**B. Project description summary**

**Project Objective**

Strengthen the Institutional and Governance Structure and Implement a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau.

Project Component	Financi ng Type	Expected Outcomes	Expected Outputs	Tru st Fun d	GEF Project Financing( \$)	Confirmed Co- Financing( \$)
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1: Institutional and Governance Realignment for Effective Monitoring and Adaptive Management within the PNMS and adjacent Domestic Fishing Zone	Technical Assistance	<b>Outcome 1.1:</b>	<b>Output 1.1.1.</b>	GET	724,350.00	449,835.00
		PNMS Institutional, Management and Regulatory Framework and mechanisms strengthened and under Implementation through enhanced national, regional and global support	A 5-Year Strategic Plan and Road-Map (with monitoring targets and indicators) implemented for effective institutionalization of the PNMS within the agreed management, monitoring and enforcement agencies			
		<b>Outcome 1.2:</b>	<b>Output 1.1.2.</b>			
		Improved and effective management and governance of PNMS/DFZ through strengthened capacity, skills and knowledge (including at the State, National, regional level as well as NGOs)	A Platform for Partnerships alongside the PNMS to support the activities in the Strategic Plan with an agreed process for delivery of said support			
			<b>Output 1.1.3.</b>			
			MCS role implemented through closer interaction and linkages with Ministry responsible for enforcement and compliance			
			<b>Output 1.1.4.</b>			
			A road-map and			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Enhanced Monitoring, Control and Surveillance of activities with the Established PNMS and DFZ Boundaries	Technical Assistance	<p><b>Outcome 2.1:</b></p> <p>All regulations and laws pertaining to PNMS and DFZ enforced effectively and sustainably</p> <p>In further close collaboration with WCPFC, FFA and PNA</p>	<p><b>Output 2.1.1</b></p> <p>Full activation and implementation of the MSC Operations Room, staff and equipment with international linkages for better MCS</p> <p><b>Output 2.1.2.</b></p> <p>Implementation of interactive monitoring of EEZ/PNMS through combining satellite information on vessel movements with aerial reconnaissance (drones and patrol aircraft) leading to more effective deployment of patrol vessels</p> <p><b>Output 2.1.3.</b></p> <p>Adoption of innovative technology for monitoring fisheries within Domestic Fishing Zone, including use of E-Monitoring and E-Reporting as appropriate</p>	GET	398,750.00	9,335,749.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 3: Ecosystem Assessment and Financial Planning for a Long-term Sustainability Strategy for the PNMS	Technical Assistance	<p><b>Outcome 3.1:</b></p> <p>PNMS and its associated administrative and management arrangements Long-term mechanisms to support are financially sustainable and security PNMS and its associated administrative and management arrangements are negotiated and identified for the long-term</p>	<p><b>Output 3.1.1.</b></p> <p>Detailed assessment of the economic value of the market and non-market marine ecosystem services within the oceanic jurisdiction of Palau</p> <p><b>Output 3.1.2.</b></p> <p>A sustainable funding road-map negotiated adopted and under implementation that identifies and confirms cost recovery and financing mechanisms (e.g. from tourism, levies and taxation on fisheries products, etc.)</p>	GET	271,500.00	6,660,938.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 4: Improvement of Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation	Technical Assistance	<p><b>Outcome 4.1:</b></p> <p>Strong stakeholder support for the PNMS and DFZ and associated benefits and fees at the broad stakeholder level including the state, national, and international community</p> <p><b>Outcome 4.2:</b></p> <p>Effective Project Management, Monitoring and Evaluation</p>	<p><b>Output 4.1.1.</b></p> <p>Lessons and practices from other similar projects and initiatives both within and outside the GEF ?stable? incorporated into project activities and deliverables, along with sharing of information and close cooperation on complementary activities</p> <p><b>Output 4.1.2.</b></p> <p>Capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further capacity building and training and to encourage replication and/or scaling up as and where appropriate. This process should link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/ learning. This process will also advise and provide feedback/documentation to <a href="#">IW:LEARN</a></p> <p><b>Output 4.1.3.</b></p> <p>A communications and awareness outreach programme established and delivered that explains the function</p>	GET	266,750.00	555,078.00



Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Sub Total (\$)					1,661,350.00	17,001,600.00
Project Management Cost (PMC)						
GET			165,134.00		248,400.00	
Sub Total(\$)			165,134.00		248,400.00	
Total Project Cost(\$)			1,826,484.00		17,250,000.00	

**C. Sources of Co-financing for the Project by name and by type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Other	Palau International Coral Research Center	In-kind	Recurrent expenditures	2,000,000.00
Recipient Country Government	Ministry of Natural Resources, Environment and Fisheries	Grant	Investment mobilized	150,000.00
Recipient Country Government	Ministry of Justice ? Department of Marine Law Enforcement	Grant	Investment mobilized	9,200,000.00
Other	Palau Conservation Society	In-kind	Recurrent expenditures	100,000.00
Other	Global Oceans	Grant	Investment mobilized	5,000,000.00
Recipient Country Government	Ministry of Justice ? Department of Marine Law Enforcement	In-kind	Recurrent expenditures	800,000.00
<b>Total Co-Financing(\$)</b>				<b>17,250,000.00</b>

**Describe how any "Investment Mobilized" was identified**

Co-financing was identified through various stakeholder workshops during preparation of the Project and through direct interaction with the co-financing bodies during project development. The co-financing figure includes significant contributions by way of ?grant? monies. Investment mobilized includes:

Ministry of Natural Resources, Environment and Fisheries: \$150,000. This represents a commitment from the Ministry to use funds to further their efforts in effectively managing the marine resources in the PNMS and the DFZ (Domestic Fishing Zone) and to ensure that this management process supports food security for Palau for the benefit of local communities. The MNRET runs a tuna program and the funding will be allocated from this program. This funding represents Investment Mobilized and is actual funds allocated by the Tuna Program after agreement with PICRC and UNDP. It does not represent the allocation of recurrent expenditures. The appropriate Letter of Confirmation is included in the relevant Annex.

Division of Marine Law Enforcement - Ministry of Justice: \$10 million. DMLE is the formally designated government body responsible for enforcement and compliance of the PNMS regulations. This figure represents both Grant and In-Kind contributions. The Grant contribution represents the bulk of this co-financing at \$9.2 million by way of equipment, ship?s time, fuel, navigation equipment, and other surveillance and monitoring assets including drone and aircraft patrols. Much of this financing is third-party through the DMLE and comes

from international bodies and countries which are supporting the monitoring, enforcement and compliance within the PNMS. This represents a 'concrete' and solid contribution to the MCS process necessary to protect and conserve the ecosystem, its biodiversity and its migratory fish stocks. Other in-kind inputs from DMLE amount to some \$800,000 and include staff time and physical facilities such as buildings and vehicles. The appropriate Letter of Confirmation is included in the relevant Annex. Global Oceans: \$5 Million. This body was created to enable collaboration and promote achievable scientific research in the world's oceans in support of better ocean management and governance. Global Oceans is partnering with Palau on set of surveys within Palau's EEZ. These will fulfil two important functions. A. to survey a series of five important seamount ecosystems along the Palau Kyushu Ridge within Palau's EEZ and B. to increase knowledge of the deeper offshore ecosystems that exist within the Palau National Marine Sanctuary. Global Oceans is providing a fully-equipped scientific research vessel that will, among other research priorities, establish a series of oceanographic transits as repeatable monitoring stations in selected areas of the EEZ that will form the basis of a long-term monitoring programme as required to support the UNDP GEF Project. Global Oceans has also agreed to work closely with the PNMS in order to build capacity and train local scientists in relevant scientific monitoring and analysis methodologies. This funding represents Investment Mobilized and is actual funds allocated by the Global Oceans through their Global Seamounts Project after discussion and negotiation with UNDP and PICRC. It does not represent the allocation of recurrent expenditures. The appropriate Letter of Confirmation is included in the relevant Annex.

**D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds**

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
UNDP	GET	Palau	Biodiversity	BD STAR Allocation	1,826,484	173,516
<b>Total Grant Resources(\$)</b>					<b>1,826,484.00</b>	<b>173,516.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

**F. Project Preparation Grant (PPG)**

PPG Required

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**PPG Amount (\$)**

**PPG Agency Fee (\$)**

Agenc y	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$ )
Total Project Costs(\$)					0.00	0.00

## Core Indicators

**Indicator 2 Marine protected areas created or under improved management for conservation and sustainable use**

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	47,507,800.00	0.00	0.00

**Indicator 2.1 Marine Protected Areas Newly created**

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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**Indicator 2.2 Marine Protected Areas Under improved management effectiveness**

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	47,507,800.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
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Name of the Protected Area	WDA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park PNM S	125689	Select		47,507,800.00			34.00		

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	11,757,200.00		

Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
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Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	1	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE



**Indicator 5.3 Amount of Marine Litter Avoided**

<b>Metric Tons (expected at PIF)</b>	<b>Metric Tons (expected at CEO Endorsement)</b>	<b>Metric Tons (Achieved at MTR)</b>	<b>Metric Tons (Achieved at TE)</b>
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**Indicator 8 Globally over-exploited fisheries moved to more sustainable levels**

<b>Metric Tons (Expected at PIF)</b>	<b>Metric Tons (Expected at CEO Endorsement)</b>	<b>Metric Tons (Achieved at MTR)</b>	<b>Metric Tons (Achieved at TE)</b>
	21,250.00		

**Fishery Details**

Fisheries figures for 2014 prior to establishment of PNMS no-take zone

**Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**

	<b>Number (Expected at PIF)</b>	<b>Number (Expected at CEO Endorsement)</b>	<b>Number (Achieved at MTR)</b>	<b>Number (Achieved at TE)</b>
<b>Female</b>		9,014		
<b>Male</b>		11,121		
<b>Total</b>	0	20135	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The Area of the Palau National Marine Sanctuary itself (approximately 80% of the EEZ) represents 487,158 sq. km. equivalent to 48.7 million hectares. Although designated already this will not come under full protection (no-take) status until 2020. The area of the Domestic Fishing Zone represents a further 105,491 sq. km equivalent to 10.5 million hectares.

Indicator 8 Footnote: this is at the lowest end of known catch statistics as provided by [www.seaaroundus.org](http://www.seaaroundus.org). The real figure is almost certainly significantly higher. The actual ?reported? pelagic fishery moving from exploited/overexploited to protected would be in excess of 100,000 tonnes per annum. This also does not allow for unreported bycatch and discards (sharks, rays, tec) which would be significant and would also then be fully protected. The total population of Palau is approximately 20,135, all of which are direct beneficiaries. A further 160,000 (approx.) tourists visit per year who are also beneficiaries.

Other beneficiaries include the neighbouring islands and associated fishing fleets which will benefit from the closed 'no-take' zone as a replenishment/spill-over area for regional fisheries. The Project also addresses primarily the UN Sustainable Development Goal 14 (To conserve and sustainably use the oceans, seas and marine resources for sustainable development) in the context of several Targets and Indicators (see Annex 9 of Project Document). It also has an impact on SDG 2 - End hunger, achieve food security and adequate nutrition for all, and promote sustainable agriculture and SDG Target 8.7 creating incentives for the development of sustainable tourism which takes into account community participation, local culture and local products. The Project further addresses the global environmental priorities through the Convention on Biological Diversity Aichi Target 11 'Protected Areas Increased and Improved which states that 'By 2020, at least 17 per cent of terrestrial and inland water areas and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscape and seascape'. Part of the implementation rationale that the Aichi Target address is that 'the Ecosystem Approach should be applied taking into account ecological connectivity and the concept of ecological networks, including connectivity for migratory species'. The PNMS will focus clearly on the connectivity of the coastal and offshore ecosystems and their interdependence and interaction, as well as the implications of such connectivity and of highly mobile and migratory species on the conservation and management roles at both the national and state government level.

## Part II. Project Justification

### 1a. Project Description

In 2015, Palau signed into law a National Marine Sanctuary (PNMS) and a Domestic Fishing Zone (DFZ). The PNMS aims to protect renewable and sustainable living marine resources which provide direct value and revenue to Palau while representing important global biodiversity. The DFZ will provide long-term food security within Palau and protect important goods and services, increasing livelihoods and reducing pressure on reef fisheries. Furthermore, the presence of a 500,000 sq. km. sanctuary provides a replenishment zone for pelagic fish stocks and bycatch species that are important to the entire region both as goods and services as well as contributing significantly to the functioning of the entire marine ecosystem. Since its declaration, a number of constraints and challenges hinder the full implementation of the PNMS and DFZ including institutional constraints, financial and economic challenges and some general governance and legal issues. The objective of the Project would be to strengthen and implement a Strategic Plan for sustainable management of the PNMS and DFZ. The project will build on the existing efforts of Palau to conserve its renewable natural resources while adding significantly to the global MPA estate and providing a protected migratory route for globally important fish stocks as well as other non-commercial species and bycatch (e.g. cetaceans, turtles, sharks, seabirds, etc.). Globally, the PNMS will make a valuable contribution to the SDG 14 targets. The recently emerging constraints arising from the COVID 19 global pandemic have been recognised and taken into account through the description of project activities and in the context of the impacts this may have on the Project both short-term and long-term.

#### 1. Global environmental problems, threats, root causes and barriers to be addressed

By virtue of its position in the Pacific, about 800 kilometers east of the Philippines and 800 kilometers north of Papua New Guinea, Palau has the greatest marine biodiversity among all the islands in the Oceania group and its waters contain one of the largest portions of endemic species in the world .. Palau is home to more than 1,300 species of fish, 700 species of coral, and an estimated 130 species of rare sharks and stingrays, many of which have suffered and declined under previously uncontrolled and ineffectively managed fishing practices, primarily by Distant Water Fishing Nations. Given its vast extent, the PNMS encompasses entire home ranges of many of these species and protects essential habitats like seamounts and spawning aggregation sites that fulfill important ecological requirements. In addition to reducing pressure on fish stocks, the PNMS is expected to reduce mortality of seabirds, turtles, sharks, and billfishes that are currently caught as by-catch. The Palau archipelago stretches over 400 miles in a north-south direction from the atoll of Kayangel to the islet of Hatohobei.

Decades of ecological research have shown that changes in predator abundance can have far-reaching consequences for ecosystem structure, functioning, and resilience. Predators help to maintain a balance among organisms, both by consuming prey and by altering prey behaviour and prey habitat selection. Through the designation of the Palau National Marine Sanctuary, the country is aiming to address many of the concerns related to the declining ecosystem and the threats to the all-important top predators by establishing its entire ocean territory as a regenerative zone for sharks, whales, tuna, and

countless other precious species. The PNMS will also bring benefits to neighboring Pacific ecosystems because healthy species migrate into nearby waters. Furthermore, highly protected areas have proved to be six times more resilient to the effects of climate change than unprotected areas. In addition to reducing pressure on fish stocks, the PNMS is expected to reduce mortality of seabirds, turtles, sharks, and billfishes that are currently caught as by-catch.

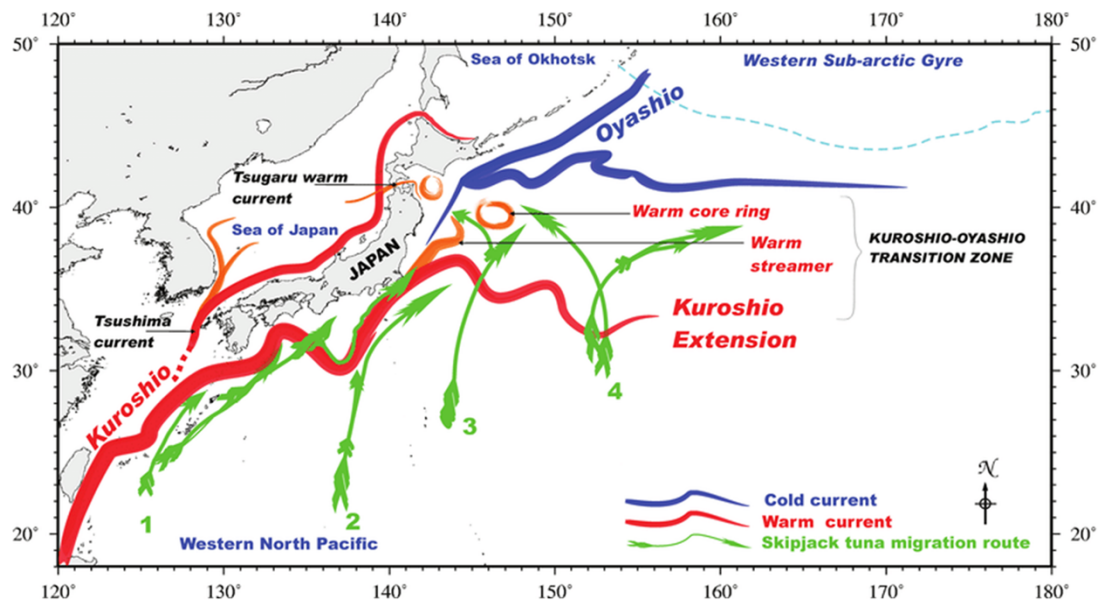
The offshore waters in Palau's EEZ are an important migratory and potential spawning area for tuna and other large pelagics. Skipjack tuna (*Katsuwonus pelamis*) larval distribution is strongly influenced by temperature and as a result of these temperature constraints, the larvae tend to be concentrated in the tropics. The warm, poleward-flowing Kuroshio Current (which takes over from the North Equatorial current alongside Palau's EEZ and flows north toward Japan and China) facilitates a seasonal (summer) expansion of the larval distribution into subtropical waters in the north around China and Japan and from thence into the far western and central Pacific Ocean<sup>[1]</sup> (Figure 1). The juveniles yellowfin tuna (*Thunnus albacares*) are also more prevalent in such waters where surface temperatures are warmer than 24°C. Yellowfin tuna seasonal peaks in density of larvae also occur in this area and migrate into the Kuroshio Current during May to June and these waters with temperatures of 26°C are probably at the lower limit for spawning of both skipjack and yellowfin<sup>[2]</sup>.

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[1] A review of the biology and fisheries for skipjack tuna, *katsuwonus pelamis*, in the Pacific Ocean. 1994. Wild, A., and Hampton, J., . <http://www.fao.org/3/t1817e/T1817E01.htm>

[2] Shomura, R.S.; Majkowski, J.;Langi, S. (eds.) Interactions of Pacific tuna fisheries. Proceedings of the first FAO Expert Consultation on Interactions of Pacific Tuna Fisheries. 3-11 December 1991. Noumea, New Caledonia. Volume 1: summary report and papers on interaction. FAO Fisheries Technical Paper. No. 336, Vol.1. Rome, FAO. 1993. 326p. <http://www.fao.org/3/t1816e/t1816e.pdf> accessed 20th May 2019.

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**Figure 1: Northerly migration of skipjack into western North Pacific from western South Pacific**

Migration of skipjack is notably influenced by ocean currents and the fish move along prevailing currents utilizing them as foraging habitats. Figure 2 shows the importance of the area around Palau and neighbouring waters as a spawning ground and the subsequent migratory routes for their distribution.[1] (Figure 2)

In the context of the adult capture fishery for skipjack, the western and central Pacific Ocean is the main area of operation of the purse-seine and baitboat fisheries with the fishing areas composed primarily of the largely contiguous EEZs of Philippines, Indonesia, Palau, Federated States of Micronesia, Papua New Guinea, the Solomon Islands, Nauru, Kiribati, and the Marshall Islands. For Skipjack, tagging results suggest a high throughput of individuals from Palau into the Federated States of Micronesia and Papua New Guinea and back and forth between the Solomon Islands.

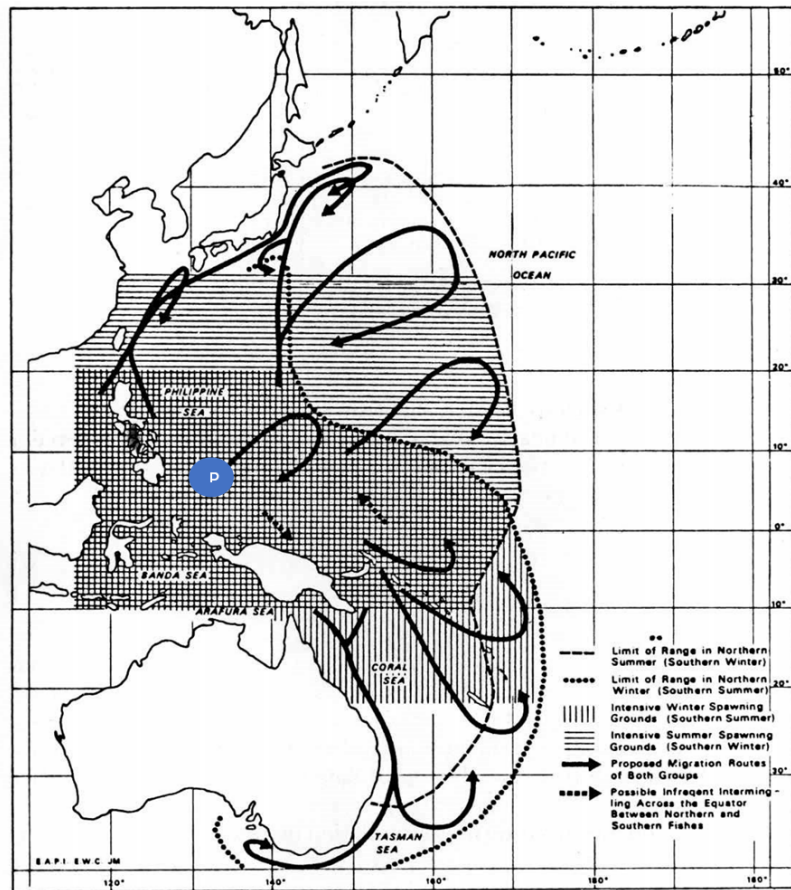
The tuna fisheries of the WCPO principally target the four main tuna species. However, the fisheries also catch a significant range of other species in association with these. Some of the bycatch are of commercial value but many others are discarded. There are also incidents of the capture of species of ecological and/or social significance (protected species), including marine mammals, sea birds, sea turtles and some species of shark (e.g. whale sharks). Across the western and central Pacific Ocean area, key indicators of the ecosystem show that: 1) the catch of bycatch species, such as sharks and billfish has increased; 2) the tuna fishery has expanded in recent decades; and 3) and consequently the diversity and biomass of groups in the higher trophic levels have diminished. Some of the predicted changes in the overall structure of the ecosystem in this region in response to alterations in fishing effort are expected, as a direct result of fishing but also as result of indirect effects from changes in the biomass of predator in relation to prey groups. It is considered to be critically important to providing protection

to these top predators and the associated bycatch in the fisheries in order to sustain biodiversity and the various complex ecosystem interactions.

The world's largest stocks of tuna occur in Pacific Island waters and over half of the tuna caught in the Western Pacific are from small island nations. However, enforcement capabilities within these countries are often resource-limited and undersized relative to the enormous ocean jurisdictions resulting from political boundaries between distributed island chains; thus, introducing a vulnerability to IUU activities (Palau is more vulnerable to IUU activities being located adjacent to two high seas pockets, allowing vessels to engage in unlawful activities with quick egress out of controlled EEZs). Having a deep cultural heritage for ocean conservation, these Pacific Island countries are strong advocates of a 'Blue Economy' and the sustainable use of ocean resources for economic growth and are turning towards an increased reliance on green tourism dollars to recapture lost income from commercial fishing licenses. It is within this growing regional socioeconomic framework that Palau has emerged as a global leader in ocean conservation, receiving the 2012 Future Policy Award for developing the world's best policies to protect oceans and coasts. Along with Kiribati (the Phoenix Island Protected Area) Palau now leads the world in highest percentage of its exclusive economic zone set aside for full protection. 81% of Palau's entire marine jurisdiction (Territorial Waters plus EEZ) have been declared an MPA. However, Palau is struggling to fully implement the management of much of this vast area, particularly in the EEZ where it has declared the Palau National Marine Sanctuary.

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[1] Application of Multi-Sensor Satellite and Fishery Data, Statistical Models and Marine-GIS to Detect Habitat Preferences of Skipjack Tuna. 2011 In Handbook of Satellite Remote Sensing Image Interpretation: Applications for Marine Living Resources Conservation and Management. Publisher: EU PRESPO & IOCCG Editors: Jesus Morales, Venetia Stuart, Trevor Platt, Shubha Sathyendranath



**Figure 2:** Spawning grounds and proposed range and migration routes of skipjack subpopulations in the western Pacific. Palau is identified as

*Taken from Shomura, R.S.; Majkowski, J.; Langi, S. (eds.) Interactions of Pacific tuna fisheries. Proceedings of the first FAO Expert Consultation on Interactions of Pacific Tuna Fisheries. 3-11 December 1991. Noumea, New Caledonia. Volume 1: summary report and papers on interaction. FAO Fisheries Technical Paper. No. 336, Vol.1. Rome, FAO. 1993. 326p. <http://www.fao.org/3/t1816e/t1816e.pdf> accessed 20th May 2019.*

The Palau National Marine Sanctuary (PNMS) was signed into law in October 2015 and covers over 80% of the country's EEZ (Approximately 500,000 sq. km). Fisheries have been systematically reduced in this area leading to a complete ban on commercial fishing activities as of January 2020. Alongside this PNMS, nearly 20% of the EEZ (almost 100,000 sq.km.) has been set aside as a domestic fishing zone for the benefit of Palauans only and where foreign fishing vessels, will be either strictly controlled or entirely prohibited, and all catches must be landed within the domestic market. These actions reflect the ancient local practice of *bul* whereby tribal chiefs placed areas off-limits to allow for restoration of living resources. The establishment of this large marine sanctuary has been a precedent-setting conservation measure that will contribute to local ecosystem health, migratory tuna stock health, and local and global food security. It is also economically prudent for Palau, where ecotourism

revenues supported by the nation's extraordinary marine biodiversity, are significantly greater than the negligible fisheries license income (see **Baseline Scenario** below).

Palau recognises the importance of high-quality ecotourism to its economy, the global significance of its near-pristine reefs and associated biological communities and species, the value of promoting conservation throughout its EEZ, the need to better understand the overall connectivity across its entire jurisdictional waters, and the importance of maintaining access to healthy nearshore and offshore fisheries for its own people.

As can be seen for the above table, the challenges to effective management of the PNMS centre around the need for the institutional structure and mandate to be more clearly defined and monitored against targets within existing bodies within Palau, as well as for those entities to have a formally adopted set of responsibilities and deliverables with a road-map and with time-bound targets. Palau also has limited ability to maintain effective surveillance and monitoring of such illegal operations within the sanctuary along with inadequate capacity for interdiction and subsequent prosecution. Although there are commendable efforts underway to try to resolve this through various partnerships and funding support, this is an enormous area to oversee. With the formal adoption of regulations for the Domestic Fishing Zone now imminent, the breadth of responsibility will only increase. Another major challenge to full implementation of effective management measures is that, currently, the PNMS does not have an adequate and reliable source of long-term funding to support its objectives. Palau recognises the importance of its marine environment to its economy in the context of tourism, acknowledging that this provides significantly more revenue than potential fisheries income. However, Palau needs to clarify and adopt long-term development plans defined by an understanding of tourism carrying capacity and the cost-benefits of capturing this within a strategy for growing a blue economy around the renewable goods and services of its marine ecosystems. This includes exploring the feasibility of more secure food sources from offshore thereby easing pressure on coastal ecosystems. A lack of awareness and understanding of the value and connectivity between the offshore environment and the nearshore coastal natural resources also limits the overall support at the community level. In the absence of financial stability and stronger community recognition and support for the PNMS there is the on-going risk from outside political pressure from foreign fishing nations coupled with individual business interests within the country wanting to ease or remove the fishing restrictions from the Sanctuary which would then threaten the long-term sustainability of ecotourism and the associated revenue security for the country.

## **2. Baseline Scenario and/or any associated baseline projects**

Palau is a party to the PNA (Partners to the Nauru Agreement)<sup>[5]</sup> along with seven other members of the Western and Central Pacific Fisheries Convention (WCPFC). These eight (including Palau) collectively control 25-30% of the world's tuna supply and approximately 60% of the Western and Central Pacific tuna supply. As of 2018, Palau started selling its Vessel Days to fishing companies outside of Palau, primarily in the Philippines. Palau was allocated 733 days in 2018 and the average price for such days ranges from \$8-12,500 per day. The purchaser(s) of the days can fish these days

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within any PNA member waters. As of 2020, the days would not be available for fishing within Palau EEZ as the Palau National Marine Sanctuary would come into effect then as a full 'no-take' zone.

The PNMS was created in 2015 through an Executive Order and its offices currently sit under the President's Office for administrative purposes with a physical presence also in the Division of Marine Law Enforcement. The Executive Order also defines the staff complement of the PNMS Office and establishes an Executive Committee composed of seven high-level members (Ministers) from various appropriate Ministries and bodies and 6 Sub-Committees dealing with i) Education and Awareness, ii) Surveillance and Enforcement, iii) Domestic Fisheries and Food Security, iv) Science and Monitoring, v) Sustainable Financing, and vi) Tourism and Marketing. Despite the provisions of the Executive Order defining the functions and roles for staff within the PNMS Office, the staff quota is still incomplete and there is a serious shortage of trained and skilled technical staff to manage the PNMS. This shortage of appropriate personnel and related technical experience represents a significant constraint to moving forward with the overall objectives and for delivering on the Strategic Plan and its targets. Palau has drafted a PNMS draft 5-year Strategic Plan in 2017 (which includes the need for capacity building and training) but this has yet to be adopted by the Government and would benefit from expansion and further development, especially in the context of a detailed Results Framework with SMART targets and indicators (Specific, Measurable, Achievable, Relevant and Time-based) that relate to a specific timeline for delivery.

Palau has been making good progress with its monitoring, control and enforcement measures with the support of a number of international partners. The provision by such partners of patrol vessels and equipment along with the new building for the Division of Marine Law Enforcement (DMLE- Ministry of Justice) provides the potential for effective MCS. The further support from aerial and satellite surveillance measures along with the access to the monitoring and surveillance system and Surveillance Centre based in Honiara (Solomon Islands) under the administration of the Forum Fisheries Agency provides an excellent baseline and foundation within which the PNMS and the DMLE can collaborate more closely and strengthen their mutual capacities and partnership for effective interdiction and prosecution of IUU vessels and other illegal activities both within the Sanctuary area as well as the Domestic Fishing Zone, once the latter has been properly established within national regulations.

In the context of science and monitoring of its waters, Palau has been working closely with various international partners. Much of this has been brokered and managed through PICRC (Palau International Coral Research Center). PICRC is the Lead Agency for Science and Monitoring of the marine environment around Palau but currently its remit does not extend into the offshore waters where the PNMS is located. Stanford COS have been working with PICRC in aiming to managing ocean change and food security in Palau by supporting the implementation of Palau's National Marine Sanctuary. A workshop held in Palau in February 2019 workshop brought together a multi-disciplinary team to identify current research and critical knowledge gaps in tackling the challenges Palau faces as it implements the PNMS. The Scripps Institute of Oceanography has undertaken a number of valuable studies within Palau's EEZ which are very relevant to the PNMS. A lot of their work has focused on gaining a better understanding of the North Equatorial and Mindanao Currents and how they interact with the waters around Palau. They use research vessels, satellite imagery and gliders to track the currents and associated physical and chemical parameters. One clear picture coming out of this is that

any undesirable changes in such parameters or any pollutants etc. entering the general EEZ and adjacent ABNJ/Highs Seas are likely to have a direct physical impact on the coastal waters as a result of current reflections and vortices in the water column which all tend to switch back in Palau's direction. This has consequences for fish migration and distribution but also has potentially devastating repercussions should there be a major oil or chemical spill or tanker/bulk carrier grounding anywhere within 200 nm of Palau.

Palau is heavily dependent on tourism for generating revenues, which contributed 54% of its GDP in 2015. A small amount of commercial fishing also occurs in Palau, but the majority of the profits from it do not stay in the country. Diving generates about 40 percent of Palau's gross domestic product. FAO figures for 2014 identified a fisheries contribution to GDP of only 2.2 percent. Taiwan has donated US\$1 million to form the foundational capital for an Endowment or Trust Fund to support the PNMS. However, to date, this Fund has still not been established. The PNMS also receives 10% of all PPEF (Pristine Paradise Environment Fund) revenues collected from tourists and visitors. This 10% represents in the order of US \$1.23 million for 2017 and US\$1.06 million for 2018. There is a special financial arrangement for financial support to the Protected Areas Network called the Pan Fund. Inputs to the PAN Fund include a donation of \$10 million from the Micronesia Challenge (which realises a dividend of approximately \$500,000 p.a.) but this funding is not currently accessible to PNMS.

The Domestic Fishing Zone urgently needs more formal definition as per allowable activities and catches. Currently, there is no formal association of fishers to represent local fishing interests. The Ministry needs to be guided by local fishermen and stakeholders as to what it is that the local fishermen want to see evolve from the Domestic Fishing Zone? Consequently, the 'domestication' of Palau's fisheries is still unresolved and undetermined. A road-map/workplan for the development of the domestic fishery is now an important and urgent requirement, along with a clear demonstration of how this will benefit the people of Palau in the long-term. There is a need to elaborate what the domestic fishing industry would/should look like in order to meet market demands and livelihoods as well as food security.

As a result of the more recent threats posed by the COVID 19 pandemic, the project will need to closely scrutinise impacts and constraints arising from the need for social distancing, restricted travel and meetings and the requirement to follow government guidelines and UN advice on this situation in order to reduce health risk to project staff and partners as well as stakeholders. Fortunately, the project Validation Workshop was held successfully a few months prior to the COVID 19 outbreak becoming a pandemic and prevented any further meetings. Since then, the project has focused on any further discussions related to achieving endorsement by way of virtual interaction and via email. This will continue with any necessary adjustments being made as and when the newly approved vaccines become globally available.

Using the baseline scenario as detailed in the Project Document as a foundation, a causal chain analysis has been undertaken to identify the threats, root causes and barriers to full and effective implementation of adaptive management within the Palau National Marine Sanctuary. The overarching challenges are categorised as A. Institutional and Management, B. Financial and Socio-Economic, and C. Legal and Jurisdictional. The causal chain analysis has identified the following threats, root causes and barriers/drivers for each of these challenges along with their predicted impacts if not addressed through this intervention:

Table 1: Causal Chain Analysis

THREAT	ROOT CAUSES	BARRIERS OR DRIVERS	PREDICTED IMPACTS
<b>Institutional and Management Challenges</b>			
PNMS unable to effectively manage the MPA on a day-to-day basis	<ul style="list-style-type: none"> <li>? No established institutional base</li> <li>? Lack of a Strategic Plan</li> <li>? Lack of strategies and work-plan for priority components</li> <li>? Inadequate performance monitoring PNMS</li> <li>? Limited technical support or understanding of management mechanisms and functions</li> </ul>	<ul style="list-style-type: none"> <li>? Unreliable government support or funding</li> <li>? Lack of political commitment to a strategy</li> <li>? Insufficient staff</li> <li>? Untrained staff</li> <li>? No performance monitoring mechanism (e.g. results framework, targets, indicators)</li> </ul>	<ul style="list-style-type: none"> <li>Failure of PNMS as a Sanctuary/no-take zone</li> <li>Failure of support at both national and international level</li> </ul>

THREAT	ROOT CAUSES	BARRIERS OR DRIVERS	PREDICTED IMPACTS
<b>Institutional and Management Challenges</b>			
Inability to respond to changes in ecosystem status through Adaptive Management	<ul style="list-style-type: none"> <li>? Poor or absent baseline data from which to measure and monitor change</li> <li>? Absence of a monitoring process for identifying changes in welfare of PNMS ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>? Lack of adequate institutional capacity</li> <li>? Absence of trained technical staff</li> <li>? No monitoring mechanisms for 6 priority areas</li> <li>? Lack of appropriate resources including technical equipment</li> </ul>	<p>Deterioration in functionality of PNMS as an MPA and No-Take Zone</p> <p>Loss of ecosystem goods and services</p> <p>Negative impacts on coastal ecosystems and community welfare</p>
<b>Financial and Socioeconomic Challenges</b>			
PNMS is financial unstable and in risk of failure	<ul style="list-style-type: none"> <li>? Inadequate long-term financial security</li> <li>? Endowment Fund non-functional</li> <li>? Diminishing contributions and support from donors</li> </ul>	<ul style="list-style-type: none"> <li>? Insufficient long-term planning and budgeting</li> <li>? Insufficient political support</li> <li>? Loss of trust from donors</li> <li>? Need for more innovative funding mechanisms</li> </ul>	<p>PNMS becomes unmanageable</p> <p>Continued/growing IUU and other illegal activities</p> <p>Insufficient infrastructure for effective search-and-rescue</p> <p>Collapse in international support</p>

THREAT	ROOT CAUSES	BARRIERS OR DRIVERS	PREDICTED IMPACTS
<b>Institutional and Management Challenges</b>			
Loss of coastal goods and services supporting tourism leading to dependence on other revenue sources	<ul style="list-style-type: none"> <li>? Increase pressure on goods and services from growing population</li> <li>? Over-development of tourism sector</li> <li>? Decline in coastal fishery as a food source</li> </ul>	<ul style="list-style-type: none"> <li>? Over-exploitation of coastal fishery resources versus offshore resources for local consumption</li> <li>? Poor long-term development planning</li> <li>? Lack of community awareness</li> <li>? Absence of a ?blue-economy? based strategy focusing on high-end ecotourism</li> </ul>	<ul style="list-style-type: none"> <li>Crash in GDP and standards of living</li> <li>Loss of renewable resources</li> <li>Increasing dependence on foreign fishing fleets and associated revenue</li> </ul>

THREAT	ROOT CAUSES	BARRIERS OR DRIVERS	PREDICTED IMPACTS
<b>Institutional and Management Challenges</b>			
Renewed increase in fishing pressure in EEZ to boost national revenue	? Political pressure from within and outside Palau to re-open fishery ? PNMS not seen to be fully functional and effective	? Lack of community awareness ? Misconception regarding value of fishery versus value of ecosystem and ecotourism ? Pressure from few individuals who seek to gain at risk of national interest ? Pressure from international fishing community wanting access to Palau goods and services ? Inadequate funding and limited political will for a strong PNMS in the interest of all Palauans	Loss of effective control overfishing activities within EEZ Loss of an important fishery replenishment zone to international community (WCPFC) Loss of contribution to SDG 14 Loss of global credibility from tourism sector and from donors
<b>Legal and Jurisdictional Challenges</b>			

THREAT	ROOT CAUSES	BARRIERS OR DRIVERS	PREDICTED IMPACTS
<b>Institutional and Management Challenges</b>			
IUU fishing and other illegal practices at risk of escalation within Palau EEZ	? Inability to maintain effective MCS and interdiction within the EEZ/PNMS ? Lack of Prosecution of illegal fishing activities	? Inadequate response capacity ? Inability to process and react to information on potential IUU ? Unwillingness to prosecute ? Inability to effectively prosecute in some areas due to absence of formally agreed boundaries	PNMS fails as a replenishment ?no-take? zone  Increase in IUU in EEZ as lack of response is noted
Inappropriate/illegal fishing and shipping/exportation practices develop in relation to the Domestic Fishing Zone	? Ambiguity and confusion regarding allowable fishing practices ? Inadequate monitoring of activities	? DFZ rules and regulations not formally adopted ? Absence of regular and effective monitoring and policing ? Poor community support and/or understanding	DFZ fails in its purpose  General ?free-for-all? and over-fishing  Loss of renewable resources  Loss of revenues
Reduction in size and effectiveness of the MPA due to loss of EEZ	? No formal agreement on EEZ boundaries between Palau and neighbouring countries ? Sea level rise and increases storm surges	? Lack of agreement between Palau and neighbouring countries on EEZ limits ? Unsecured low-lying islands	Loss of valuable ocean territory to Palau  PNMS no longer enforceable  PNMS no longer viable

Proposed Alternative Scenario, with brief description of expected outcomes and components of the Project

Palau does not currently have the full skill-set or sufficient level of expertise to address the offshore (PNMS) ocean environment/ecosystem. There would need to be appropriate capacity building and training with long-term mentoring. These all have financial implications and could place a considerable strain on any identified or established national agency if appropriate support measures are not taken. Any agency mandated with the scientific studies and monitoring of the PNMS will need outside assistance in the necessary oceanic data collection (research cruises, autonomous vehicles such as gliders, mooring systems for data collection, deployment of Argo floats, etc.). These are a costly and resource-demanding set of activities. This further highlights the need for partnerships and some sort of Alliance-for-Science or Palau Ocean Conservation Alliance bringing together international expertise and support. Palau also needs to focus on the future needs of the general population and communities which ultimately depend on a healthy and vibrant ecosystem and environment for their well-being, food security and livelihoods. In relation to this reality, it is imperative now that Palau gets its tourism policies and management right and ensures that it is sustainable as well as good for the country (environmentally, culturally and economically) or the risk will be that some elements of Palau society will want to revert to exploiting the valuable natural resources for livelihoods and revenue (i.e. commercial fishing), regardless of the fact that this would be a short-sighted and unrealistic route for Palau to follow and one which would actually benefit very few people

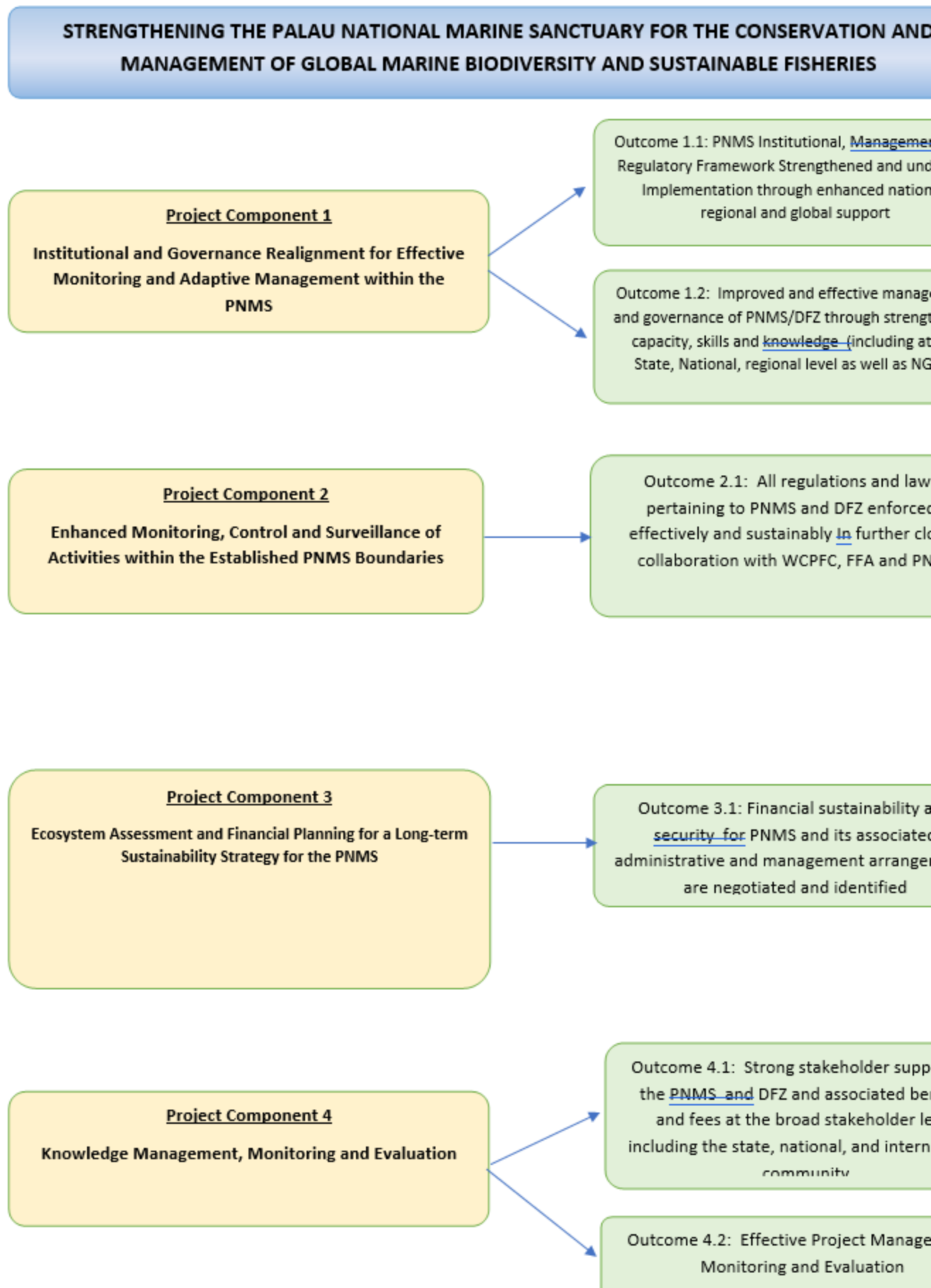
In order to respond to the root causes and barriers outlined in the Causal Chain Analysis and thereby address the threats and predicted impacts, the Project aims to deliver an end-of-project landscape that can be summarised as follows:

- ? PNMS fully functional under adaptive management
- ? Effective national MPA coverage significantly increased (500,000 sq.km.)
- ? PNMS financially sustainable
- ? Ocean ecosystem goods and services conserved and supporting blue economy
- ? Threat to fish stocks in EEZ removed
- ? IUU fishing eliminated throughout Palau waters
- ? Domestic Fishing Zone function effectively With clear access and management regulations
- ? EEZ formally agreed confirming extent of MPA



The 'Strategy' section of the Project Document describes how the Causal Chain Analysis leads into the Theory of Change that identifies the Components and intended Outcomes and Outputs that will deliver these changes. This Theory of Change is captured in the main Project Document along with Table 2: which explains how the Theory of Change and associated outcomes and outputs address the proposed responses to the root causes and barriers. The Theory of Change is also included in this document below as Annex 4.

**Figure 1: Theory of Change – Page 1**



**Figure 1: Theory of Change – Page 2**

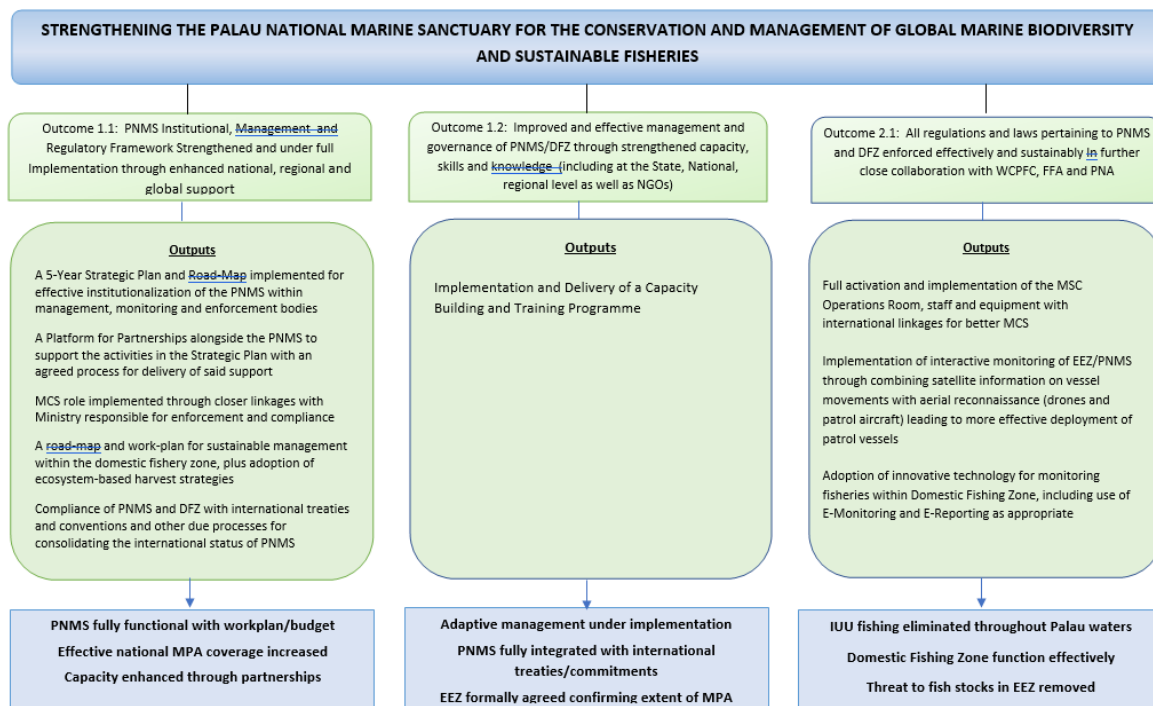
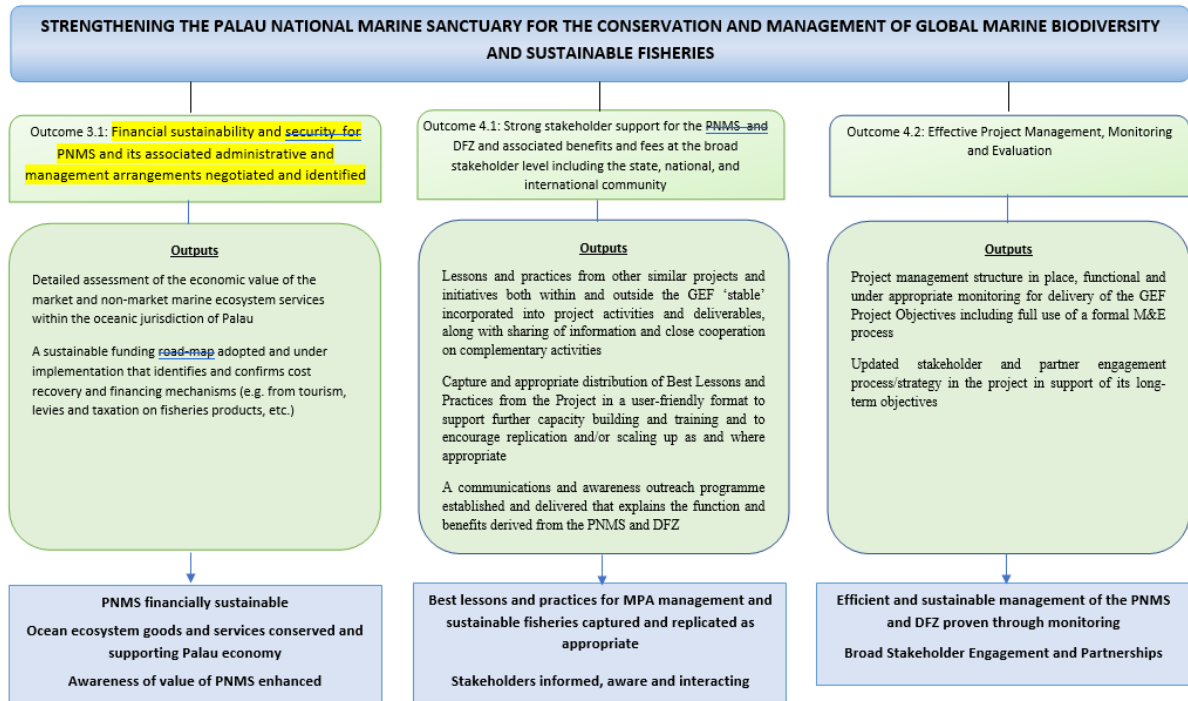


Figure 1: Theory of Change – Page 3



The following Components, Outcomes and Outputs show the intended alternative scenario and associated work to be undertaken to address the barriers and drivers (as identified above) that create the root causes threatening the effective long-term adaptive management of the Palau National Marine Sanctuary. The full Project Document includes the Theory of Change showing each of the Outcomes that would be delivered to address and mitigate or eliminate these root causes.

#### Component 1: Institutional and Governance Realignment for Effective Monitoring and Adaptive Management within the PNMS and adjacent Domestic Fishing Zone

This component will aim to make the PNMS fully functional under adaptive management and to secure significantly increased effective national MPA management coverage (48,715,800 Hectares). Activities within this Component will include the development of the Strategic Work Plan and Road-Map in collaboration with appropriate stakeholders (both national and international) with its own Results Framework, Indicators and Targets. One of the important functions of this Strategic Work-Plan and Road Map will be to monitor the progress in the establishment and institutional implementation of the PNMS itself (see Output 1.1.1). A Capacity Building and Training Programme will be identified and implemented with the RF Indicators and Targets providing clear direction and objectives. Mentoring

will be an important part of this process with international experts and partner institutions providing support and guidance both in Palau and from a distance. The existing partnerships for science and ecosystem monitoring will be strengthened and expanded to increase the focus and area of interest to include the offshore PNMS and its priority gap-filling and monitoring requirements. Monitoring, Control and Surveillance will be more formally institutionalised alongside the PNMS responsible bodies with better interaction and lines of responsibility. The regulations and compliance mechanisms for the Domestic Fishing Zone will be defined and communicated to all appropriate stakeholders and will embrace the precautionary approach using pre-selected management responses under the 'harvest strategies' mechanism being adopted by FFA and the WCPF Convention members. The 'purpose' and accessibility of the DFZ needs to be defined and established to ensure that any activities within this zone are for the benefit of Palau, either in the context of subsistence fishing or strictly managed foreign access with appropriate controls over landings and exports. The relationship between the PNMS and its objectives and international treaties and conventions relevant to Palau will be explored, particularly the Convention on Biological Diversity, World Heritage Convention and any pertinent linkages with the International Maritime Organisation and its bodies and conventions/protocols. The formal notification of EEZ boundaries to the appropriate United Nations bodies will be the subject of increased efforts in order to secure the boundaries of the PNMS itself, particularly in the context of MCS.

**Outcome 1.1:** PNMS Institutional, Management and Regulatory Framework Strengthened and under Full Implementation with enhanced national, regional and global support

The Outcome will aim to deliver a 5-Year Strategic Plan and Road-Map (with monitoring targets and indicators) implemented for effective institutionalisation of the PNMS within the agreed management, monitoring and enforcement agencies. The project will develop a Platform for Partnerships alongside the PNMS to support the activities in the Strategic Plan with an agreed process for delivery of this support and the activities. A more effective monitoring control and surveillance role will be implemented through closer interaction and linkages within and between the ministries and departments responsible for enforcement and compliance. A mechanism for sustainable management within the domestic fishery zone will be developed and adopted along with a road-map and work-plan for delivering and maintaining such a mechanism. This will include the adoption of ecosystem-based harvest strategies. The project will also ensure compliance of PNMS and DFZ with international treaties and conventions and other due processes for consolidating the international status and recognition of the PNMS

**Outcome 1.2:** Improved and effective management and governance of PNMS/DFZ through strengthened capacity, skills and knowledge (including at the State, National, regional level as well as NGOs)

The Project will support the implementation and delivery of a Capacity Building and Training Programme. This will be developed through a detailed, stakeholder-supported identification of capacity building and training needs leading to the development of modular training courses (governance, management and technical) based on best lessons and practices arising from Component 4. A 5-year CB&T plan will be developed and implemented (including monitoring of achievements and delivery) in alignment with the 5-Year PNMS Strategic Management Plan. Agreements will be negotiated and established with partners for CB&T support and mentoring to deliver on CB&T 5-year Plan. An early priority will be to support capacity building and training for the establishment of a productive and sustainable offshore pelagic fishery (particularly for tuna) to ensure continued home food security and livelihoods without increasing pressure on the coastal and reef fish and ecosystems.

#### Component 2: Enhanced Management through improved Monitoring, Control and Surveillance of Activities within the Established PNMS and DFZ Boundaries

Component 2 will address the need to ensure the termination of IUU fishing (effectively any fishing) throughout Palau waters and to ensure that the Domestic Fishing Zone is functioning effectively under adopted and enforced legislation. Support will be provided to making the Operations Room and other aspects of the Marine Law Enforcement offices full operational alongside the PNMS Office. Emerging new technologies will be employed as appropriate alongside the growing surveillance capacity within FFA and WCPFC members. Remotely operated surveillance measures will be linked in with real-time satellite monitoring, manned aerial surveillance and marine patrol assets to provide effective coverage and response within the EEZ. Similarly, innovative technologies for monitoring of fishing activities within the DFZ will be explored and introduced where required, including electronic observer/monitoring systems as appropriate.

**Outcome 2.1:** All regulations and laws pertaining to PNMS and DFZ enforced effectively and sustainably In further close collaboration with WCPFC, FFA and PNA

The Project will deliver full activation and implementation of the MSC Operations Room, staff and equipment including international linkages to appropriate surveillance centres and agencies in order to ensure effective monitoring, control and surveillance within the PNMS and DFZ. Formal agreements will be established/strengthened with international partners including FFA Surveillance Center; Satellite tracking provider in USA, etc. to ensure daily and ongoing surveillance measures are in place. Appropriate staffing levels will be established and necessary supportive equipment procured in order to ensure that the DMLE (Department of Marine Law Enforcement) Operations Room/centre is fully operational on a 24-hour basis. Staff will be assisted to become fully conversant with procedures and trained in use of equipment and response strategies. The Project will further support the on-going

implementation of MCS protocols as well as supporting implementation of interactive monitoring of EEZ/PNMS through combining satellite information on vessel movements with aerial reconnaissance (drones and patrol aircraft) leading to more effective deployment of patrol vessels. This will include a review into the feasibility of combined aerial/ sea-going surveillance using drone(s) as well as aircraft.

The Project will also assist in the identification and adoption of innovative technology for monitoring fisheries within Domestic Fishing Zone, including use of E-Monitoring and E-Reporting as appropriate. In this context it will collaborate closely with FFA and other appropriate bodies and partners within the WCPFC to develop and implement a road-map for electronic surveillance and reporting within the MDZ and associated landing areas, Furthermore, it will review options (and adoption where appropriate) for use of other innovative technological approaches for fisheries monitoring and management within the DFZ (e.g., FAD Deployment and Tracking)

### Component 3: Ecosystem Assessment and Financial Planning for a Long-term Sustainability Strategy for the PNMS

The objectives of Component 3 is to identify and justify improved management all ocean ecosystem goods and services, to strengthen and support the concept of ecotourism, to remove the threats to fish stocks in the EEZ and to make the PNMS financially sustainable. An assessment of ecosystem goods and services will inform a cost-benefit analysis focusing on the importance of ecotourism and associated sustainable livelihoods and a secure GDP and revenue source. This process will demonstrate a clear political logic and aim to garner full support for such a strategy at both the political level and the community level. This will further support the requirement to identify and adopt a sustainable funding roadmap that supports a more 'blue economic' long-term strategy focusing on an ecotourism-based approach and thus supporting the PNMS and other protected areas within Palau. Integral to this process will be the need to communicate these issues and results and to raise awareness at all levels and with all stakeholders on the important long-term value of Palau's renewal biological resources.

**Outcome 3.1:** PNMS and associated administrative and management arrangements are financially sustainable and secure for the long-term

The Project will undertake a detailed assessment of the economic value of the market and non-market marine ecosystem services within the oceanic jurisdiction of Palau through a assessment of the value of ecosystem goods and services and an analysis of ecotourism revenues along with consideration of the cost-benefits of securing and protecting ecosystem goods and service. This will include an estimate of the percentage/amount of revenues/benefits available for the state level and national level. Following on from these exercises and activities, the Project will develop, adopt and implement a sustainable

funding Road-Map that identifies and confirms cost recovery and financing mechanisms (e.g. from tourism, levies and taxation on fisheries products, etc.). This will include the identification of cost-recovery and financing mechanisms to support PNMS and DFZ, the identification of potential improved revenues resulting from more effective management of both PNMS and DFZ which can be channelled toward community and state activities and benefits, negotiation of Vessel Day Scheme fees within the Parties to the Nauru Agreement based on protection of regional biomass and spawning/migrating zone for commercial pelagics and the adoption and implementation of sustainable funding mechanisms.

#### Component 4: Improvement in Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation

Knowledge capture and management is a critical component of any GEF project to ensure that best lessons and practices can be put to good, long-term use as well as identifying pitfalls and actions to be avoided. Knowledge products, services and assets need to be properly formulated and catalogued as well as distributed. Tools that will be explored for better Knowledge Management will include the use of appropriate databases, setting up and linking into knowledge platforms and groupware systems, the development and sharing/access to analytical tools such as statistical packages and cost-benefit analyses, and the effective use of exchanges and conferencing. The effectiveness of project management and delivery will be assessed and steered through a Monitoring and Evaluation Plan (see Annex 3) also supported by a Stakeholder Engagement Plan (Annex 5 of the Project Document) that requires strong stakeholder inputs to the project's outputs and to their on-the-ground delivery.

**Outcome 4.1:** Strong stakeholder support for the PNMS and DFZ and associated benefits and fees at the broad stakeholder level including the state, national, and international community

Lessons and practices from other similar projects and initiatives both within and outside the GEF ?stable? will be identified and incorporated into project activities and deliverables, along with sharing of information and close cooperation on complementary activities. A programme will be adopted for sharing information through direct interaction in-country, regionally and globally (e.g. through ?twinning?? exercises). Specific to this programme will be the capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further capacity building and training and to encourage replication and/or scaling up as and where appropriate. This process will link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/learning. This process will also advise and provide feedback/documentation to IW:LEARN and Experience Notes for use by other SIDS and similar national circumstances. These lessons and best practices will be further reviewed and revised into modular training courses and capacity building materials to feed into CB&T outputs and activities under 1.1. A communications and awareness



outreach programme will be established and delivered that explains the function and benefits derived from the PNMS and DFZ. This would further address the need for regular communications during project implementation in order to advise all stakeholders of the status and delivery from the project and the status of the PNMS itself. To this effect, the Project will support the establishment of a specific section/body(s) within the PNMS and DFZ administration/ management to focus on Communications and Awareness and will further develop and adopt a Communications and Awareness Programme through stakeholder engagement and input that targets relevant target bodies including a. general public, b. communities, c. states d. policy-makers, e. private sector and f. the regional and global community

#### **Outcome 4.2: Effective Project Management, Monitoring and Evaluation**

An appropriate project management structure will be adopted and in place as an immediate activity under the Project and this will include appropriate monitoring for delivery of the GEF Project Objectives including full use of a formal M&E process. Once this Project Coordination Unit has been established and staffed, regular reporting and assessment of project delivery will be undertaken as per UNDP requirements (Monitoring Plan). This will include regular review of the Risk Assessment (see Annex 4: UNDP Risk Log) for this Project. These risks and their drivers will be assessed and revised on an annual basis alongside the PIR process with a view to identifying any amendments or additions to the Project's activities that may be required to further reduce such risks. And such amendments or additions would be reviewed by the Steering Committee for approval. The M&E process will include both a) and Independent Assessment of Project at Mid-Term with the emphasis on identifying any required steering and realignment necessary to achieve the established objectives of the project and b) a formal Independent Terminal Evaluation of project as per UNDP requirements. Also, under this Outcome will be a review of stakeholder engagement and stakeholder inputs to and involvement with Project Objective and Outcomes (also to be captured in Best Lessons and Practices above). This will include an assessment, revision and adoption of a revised and updated Partnership Platform process as well as identification and strengthening/expanding of the role of various partners and organisations engaged in the management process.

#### **COVID 19 and the Project Outputs:**

Ecosystem monitoring with the identified partners will require a COVID 19 Management and Guidelines Strategy to ensure the welfare of all involved staff and scientists, especially on-board any research vessels and during field scientific studies. Identification of Capacity Building and Training needs through a stakeholder engagement process will be required to also identify and adopt any necessary policies and guidelines to ensure the welfare of both trainees and trainers, inevitably with an

emphasis on virtual training techniques in the first instance and until (and if) it is deemed safe for travel and meetings to be generally reinstated (including any conditions associated with same). The MCS Operational Centre will have a set of clear guidelines for staff activities that further relate to the status of response to COVID 19 at the time. Identification of cost-recovery and financing mechanisms to support PNMS and DFZ will need to consider any short- and long-term impacts on revenues coming into the country and adjust recommendations and calculations to suit. Activities and knowledge exchanges will adhere to UNDP guidance on travel and precautions related to the COVID-19 global pandemic, and the project will develop virtual or on-line activities to support these exchanges where possible.

### 3. Alignments with focal area strategy (biodiversity)

The Project addresses the following GEF 7 Programming Directives through Objective 2. Reduce Direct Drivers of Biodiversity Loss, as per the following Programming Options:

<b>E) Reduce pressures on coral reefs and other vulnerable coastal and marine ecosystems</b>	<b>Programming options</b>
<b>Expected Outcome 7:</b> Anthropogenic pressures on vulnerable coastal and marine ecosystems, including coral reefs, mangroves and seagrass beds, and associated ecosystems, including pollution, overfishing and destructive fishing, and unregulated coastal development, are reduced, thus contributing to ecosystem integrity and resilience	<b>Biodiversity Focal Area Investments:</b>  Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate (Marine Protected Areas)

And?

<b>F) Enhance the Effectiveness of Protected Area Systems</b>	<b>Programming options</b>
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<p><b>Expected Outcome 8:</b> The area of protected areas under effective and equitable management is significantly increased, including development of sustainable financing.</p> <p><b>Expected Outcome 9:</b> The ecological representativeness of protected area systems, and their coverage of protected areas, and other effective area-based conservation measures, of particular importance for biodiversity is increased, especially habitats for threatened species.</p>	<p><b>Biodiversity Focal Area investments:</b></p> <p>Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate</p> <p>Inclusive Conservation</p> <p><b>International Waters Focal Area Investments:</b></p> <p>Coastal and marine protected areas</p>
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#### 4. Incremental/additional cost reasoning, contributions for baseline and co-financing

The proposed MSP will build on and complement the existing efforts of the Republic of Palau to conserve its renewable natural resources while adding significantly to the global MPA estate and providing a much-needed replenishment area and protected migratory route for regionally and globally important fish stocks as well as other non-commercial species and /or species that are all-too-frequently taken as bycatch by foreign fishing vessels (e.g. cetaceans, turtles, sharks, seabirds, etc.). The MSP will also assist Palau in establishing a Domestic Fishing Zone that will promote food security, increase livelihoods and reduce pressure on reef fisheries. The MSP will provide incremental funding specifically for i) capacity building and training of staff to support the management of the PNMS through ecosystem monitoring and subsequent adaptive management responses, ii) stakeholder negotiations to agree and adopt appropriate strategies and work-plans for delivering on management targets and performance, iii) developing and delivering an effective communications and awareness programme, iv) negotiating and advancing formal and informal partnerships and alliances (e.g. through in-country workshops plus attendance at relevant international meetings and conferences) in support of scientific data collection to support both the baseline and an adaptive management approach, v) identifying and securing sustainable funding through lobbying of donors as well as in-country measures, vi) undertaking a detailed assessment of ecosystem goods and services followed by a cost-benefit analysis of ecotourism options and strategies (including carrying capacity), vii) the subsequent development and adoption of a national blue economic strategy through broad stakeholder engagement that recognises the value of conserving the marine ecosystem as a necessity to underwrite the long-term economic and financial sustainability of the country, vii) work closely with communities and local fisher stakeholders to develop and manage the Domestic Fishing Zone to the advantage of all Palauans, viii) identify and adopt mechanisms to strengthen the benefits to all states and local communities in Palau generally from the PNMS and Domestic Fishing Zone, ix) improve the monitoring, control and surveillance of all activities within the EEZ, particularly through the provision of equipment and training to support an operations centre for MCS and x) catalyse negotiations with appropriate neighbouring countries on the demarcation of EEZ boundaries. The estimated funding needs for this

process effectively over a 4-year period are \$10-15 million of which GEF is requested to provide a maximum of \$2 million and the rest will be provided through co-funding from the government of Palau and from other partners. The PPEF is expected to deliver \$1.6 million plus of this as a direct cash contribution from tourism levies to the government over this 4-year period. Clearly there will be concerns related to the reliability of this source of funding in the context of the current COVID-19 pandemic. It is to be hoped that this loss is only a temporary one and that, during the lifetime of the Project (which is expected to extend to at least 2024-5) that relatively normal tourist numbers will return. However, many of the world's SIDS that depend on tourism for a substantial part of their revenues are likely to be affected by this scenario (to a greater or lesser extent) and this PNMS project will, as with other projects, need to keep a close eye on adaptive management requirements relating to the development and confirmation of long-term sustainable funding.

Further contributions are expected from various partners and donors either as cash contributions or in-kind contributions. The Ministry of Justice ? Department of Marine Law Enforcement will make a major contribution through the contribution of surveillance equipment (sea and air) and associated fuel. This represents approximately \$2.3 million per year or \$9.2 million across the lifetime of the project. DMLE will also contribute through in-kind office space and personnel, etc. This will also include a substantial level of support (\$5 million plus) from Global Oceans. One of Global Oceans' main projects is the Global Seamounts Project and they are planning an expedition into Palau in 2020 as part of this initiative at the invitation of the President of Palau. The intention is to survey selected seamounts within Palau's EEZ and to increase knowledge of the deeper offshore ecosystems that exist within the Palau National Marine Sanctuary. They will be using an ROV launched from a customised scientific research platform and which is capable of depths up to 4000 metres and can carry a suite of sampling gear that can measure biological, chemical and physical parameters. While they have a fully equipped scientific research vessel in Palau's waters, they are also offering the opportunity to Palau to establish some oceanographic monitoring stations along selected cruise lines in support of the proposed UNDP GEF Project ?Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries?. The expedition will also offer an opportunity for local scientists and other interested stakeholders to take part in the various scientific research activities. Other partners will provide both in-kind and cash co-funding toward the Project objectives and/or scientific and technical support. These include Stanford University (Center for Ocean Solutions. Some specific areas COS will plan to assist with as a partner to this project would be a) identifying the likely (direct and indirect) ecological, cultural and economic effects of protection of 80% of the EEZ? B) The social and economic consequences and benefits of both the PNMS and the DFZ. C) What are the likely effects on regional (PNA) fish stocks (and bycatch rates, particularly of protected species), nearshore fisheries via effort redistribution, and tourism assets (reefs; megafauna; sportfishing). The Forum Fisheries Agency will partner with the project and with the PNMS and DFZ in the long-term to provide support to surveillance of vessels in Palau's jurisdictional waters and to assist in MCS activities where possible. FFA will also assist the project in brokering negotiations over the Vessel Day Scheme and in providing linkages between the project and the larger Oceanic Fisheries Management Project and subsequent Strategic Action Programme Implementation.

The initial stages of the COVID-19 pandemic in the first half of 2020 have seen the greatest disruption of financial markets and currencies in recent decades. Generally, this has strengthened the USD against local currencies, but with exchange rates extremely dynamic as of July 2020, adding uncertainty to the budgeting of activities. There is a significant risk of global economic recession impacting national economies, including co-financing commitments for project implementation. The budget will be reviewed during project inception and any necessary measures taken to address any shortfalls due to exchange rate fluctuations between the GEF approved budget and project start up. Annual budget reviews should track and respond to subsequent fluctuations. Changes in the scope or timing of planned activities may be necessary through workplan adjustments. The Project Steering Committee should monitor and address significant financial constraints arising due to both exchange rate fluctuations and any delays or failures in co-financing delivery.

## **5. Regional and Global Environmental Benefits**

The highly migratory nature of tuna in the Pacific requires special efforts to safeguard their populations from overfishing across their extensive range, and particularly around spawning areas. In the long-term, a highly collaborative approach between Pacific nations, territories and DWFNs will be essential on a regional basis<sup>[6]</sup><sup>4</sup>. The migratory nature of tuna both seasonally and interannually also suggests that cooperation between neighbouring EEZs, and even across ocean basins, will be necessary because poor management in one EEZ can affect stocks in another<sup>[7]</sup><sup>5</sup>. While it is unrealistic to expect all island nations in the Western Pacific to immediately create no-take protected areas, their cooperation is essential in curtailing IUU activities and there is an urgent need now to 'pave the way' with pilot initiatives such as this PNMS that demonstrate the value of replenishment areas and their spill-over effects along with the associated need for designated areas providing protection to other non-commercial species that form the substantial bycatch and discards (often contributing to up to 80% of the catch with high levels of mortality) from commercial fishing operations<sup>[8]</sup><sup>6</sup>.

At the regional level therefore, it is intended that the PNMS would act as a replenishment zone for tuna fisheries (as well as for other non-commercial bycatch species) in an important migratory area during a growing period of uncertainty for the Western and Central Pacific Tuna fishery in the context of climate change impacts. Although Palau's historic 'recorded' offshore catches represent a small fraction of the overall annual catch for the WCPF Convention area, this needs to be seen in the context of the size of the EEZ of Palau. This constitutes a little over 1% of that Convention Area and the actual

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historic catch is equal to many of the other SIDS in the region (see Table 2). Furthermore, there has been much evidence of unreported catches with foreign vessels transshipping straight out of these waters or carrying the catches directly back to ports in Philippines etc. Purse seine vessels are not currently fishing in Palau waters and Palau therefore sells its allocation of days under the Purse Seine VDS to other countries (see above under Baseline). The apparent importance of the waters around Palau for spawning and migration of both skipjack and yellowfin further strengthen the case for this PNMS.

	EEZ (sq. km.)	Catch P.A. in tonnes	Catch Per Sq. km. in tonnes
Fiji	1,285,765	7,362	0.01
Cook Islands	1,966,648	17,469	0.01
Vanuatu	620,780	8,438	0.01
RMI	2,000,119	40,564	0.02
<b>Palau</b>	<b>606,847</b>	<b>21,250</b>	<b>0.04</b>
Tokolau	320,392	17,383	0.05
FSM	3,005,200	174,407	0.06
Papua New Guinea	7,744,700	568,850	0.07
Solomon Islands	1,604,980	132,279	0.08
Tuvalu	755,283	71,157	0.09
Kiribati	3,451,907	406,482	0.12
Nauru	309,888	122,405	0.39
<b>TOTAL</b>	<b>23,672,509</b>	<b>1,588,046</b>	<b>0.07</b>

Table 2: Catch per annum as kgs of fish per sq. km showing true position of Palau in PICTs relative to annual catch rates

Discussions continue within the WCPFC Scientific Committee on the need to establish replenishment zones. The Committee realises that more work needs to be done on how these zones would work and what their contribution would be both to fisheries and the larger ecosystem(s) as a whole<sup>[9]</sup>.

Nevertheless, the Committee recognises the potential importance of such zones but also realises concerns that some of the areas that may be most appropriate for 'no-catch' replenishment zones may fall within the EEZ of countries that want and need the economic benefits from the fishery and arrangements would need to be negotiated in an attempt to reimburse those countries (e.g. debt swaps or similar financial reimbursement measures). Palau does not suffer from this constraint and has already embraced the need for a no-take zone which can therefore function as a replenishment zone for these highly migratory tuna stocks and other top-level pelagics while focusing its long-term GDP requirements on ecotourism instead.

The projected changes in abundance and distribution of all four species of tuna as a result of climate change are expected to have potential impacts for the economies of Pacific Islands countries but will also vary by species<sup>[1]</sup>. The predictions include an eastward shift in distribution and decrease in biomass for skipjack and yellowfin tuna which would impact those fisheries on the far western side of the region. For albacore (*Thunnus alalunga*), widespread increases in biomass are expected in the EEZs of PICTs to the west, including Palau, with concomitant decreases of around 15% in the EEZs of Fiji, New Caledonia and Vanuatu by the end of the century. Albacore is listed as Near Threatened by the International Union for the Conservation of Nature (IUCN) because of the threat of overfishing. Several stocks are in significant decline and the species' overall population trend is decreasing. The climate change impact on bigeye tuna is predicted to be much lower and significant only by the end of century with a maximum average decrease nearer the central part of the WCPFC area. The Strategic Action Programme for the Sustainable Management of Living Oceanic Resources by the Small Island Developing States of the Western and Central Pacific includes studies to ascertain the interconnectivity between coastal changes and impacts related to climate change and offshore effects and impacts on the oceanic fisheries (e.g. larval tuna/top predator forage and larval tuna). This SAP is being implemented through a regional project entitled Mainstreaming Climate Change and Ecosystem-Based Approaches into the Sustainable Management of the Highly Migratory Fish Stocks of the Western and Central Pacific Ocean. Palau is one of 14 beneficiary parties to this Project which is currently being finalised for submission to GEF through a Project Preparation Grant. The SAP also addresses the need for improved and continuous assessments of the likely socioeconomic effects from these impacts from climate change. The full Project Document includes discussion of the Risk from Climate Change within the Risk Log (Annex 4) as well as an Annex 11 specifically on Climate Change Risk Screening that discusses the climate vulnerabilities, options for management and strategies for monitoring along with institutional and capacity-building needs for the project.

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[1] Impact of climate change on tropical Pacific tuna and their fisheries in Pacific Islands waters and high seas areas. Inna Senina, Patrick Lehodey, Beatriz Calmettes, Morgane Dessert, John Hampton, Neville Smith, Thomas Gorgues, Olivier Aumont, Matthieu Lengaigne, Christophe Menkes, Simon Nicol, and Marion Gehlen. WCPFC-SC14-2018/EB-WP-01. WCPFC Scientific Committee Fourteenth Regular Session Busan, Republic of Korea 8-16 August 2018

However, this situation is complex and there are many uncertainties associated with the potential impacts and long-term predictions which need more research and more monitoring and modelling. The precautionary principle would suggest that maintaining and monitoring a healthy and unexploited stock in a significant replenishment area to the west of the South Pacific could be highly advantageous to the WCPF Convention members. Some tagging activities are already in place within the EEZ and international partners have expressed interest in expanding these as a mechanism for stock assessment.

The Domestic Fishing Zone also acts as a valuable regional level demonstration for other Pacific Island Countries and Territories on management of their fisheries in relation to national needs both at the food security level and with regard to the maximisation of benefit from fisheries revenues. The countries of the region will almost certainly have to start turning more to the use of offshore fish for domestic consumption to compensate for declining food resources from coastal fisheries, support adaptation to climate change, and to provide benefits to small-scale fishers. This may require countries of the region to consider management measures in WCPFC or domestic access conditions that provide more support for small-scale tuna fisheries and encourage industrial fishing vessels to offload at least some catch in Pacific Island ports. This offloading may come at some cost (i.e. reduction in some access fees). In addition, there will likely be an increasing focus on well-managed national nearshore FAD programmes to support artisanal fishers[11]<sup>8</sup> .

Globally, the PNMS is a valuable contribution to the SDG 14 targets (see Annex ???) particularly those relating to the expansion of MPA coverage (SDG 14.5) and the regulation of IUU and destructive fishing practices (SDG 14.4). If managed effectively, within an overall national blue economy strategy, it can also contribute to increasing the economic benefits to this Small Island Developing State (SDG 14.7) through the sustainable management of fisheries and tourism as well as providing access to small-scale artisanal fishers to marine resources and markets (SDG 14.b). An effectively managed PNMS also contributes to the implementation of international law as captured in the 'Future We Want' statement from the Rio + 20 Conference on Sustainable Development, and particularly Paragraph 158:

'We therefore commit to protect, and restore, the health, productivity and resilience of oceans and marine ecosystems, and to maintain their biodiversity, enabling their conservation and sustainable use for present and future generations, and to effectively apply an ecosystem approach and the precautionary approach in the management, in accordance with international law, of activities having an impact on the marine environment, to deliver on all three dimensions of sustainable development?.'

## **6. Innovativeness, Sustainability and Potential for Scaling Up**

The declaration of such an extensive no-take MPA by any country is hugely innovative let alone by such a relatively small country in terms of population and GDP but with such a massive EEZ. The side-effect of creating a replenishment zone in this area of the Pacific will have advantages beyond Palau and for many of the WCPFC and PNA members. Declaring an associated Domestic Fishing Zone to protect the livelihoods and food security for its own population shows a degree of foresight that may well see Palau through some of the difficult times ahead that many of the South Pacific and other

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<sup>8</sup> [11]



global SIDS will inevitably face as resources become depleted and the impacts of climate change start to take effect. The sustainability of this overall exercise is inevitably a concern as is to be expected from any project seeking GEF funding to help to achieve such sustainability. However, there is clear intent and positive support for developing and securing such sustainability as is apparent from Palau's innovative adoption of the Palau Pristine Environment Fund along with the formal changes to its immigration laws that require visitors to Palau to sign a declaration that is binding in law and punishable by a substantial fine if not adhered to. The possibilities for replication and scaling -up across the rest of the WCPFC area and its members are substantial, and a number of islands are already following suit or considering to. Examples and opportunities defined through this process in the Republic of Palau can be of substantial value to other SIDS and Pacific Island Countries and States not to mention other MPA designation and implementation processes globally. In particular, the Domestic Fishing Zone can be an extremely valuable pilot exercise that can be replicated in many other SIDS which have the same issues and concerns related to food security and livelihoods.

Palau is hosting Our Oceans 2020 to convene the world leaders and other high-level partners that are spearheading ocean sustainability and resilience solutions<sup>[12]</sup><sup>9</sup>. This event is designed as a forum for ocean leaders to commit to positive changes related to marine protected areas, climate change, sustainable fisheries, marine pollution, sustainable blue economy and maritime security. Having the PNMS fully functional by 2020 would not only be a valuable demonstration of the commitment of small islands to supporting the need major global efforts in expanding protected areas, it would also be very timely for brokering other cofunding and donor support in the first half of the proposed Project.

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[1] <http://www.mpatlas.org/region/country/PLW/> accessed 19th May 2018

[2] A review of the biology and fisheries for skipjack tuna, *Katsuwonus pelamis*, in the Pacific Ocean. 1994. Wild, A., and Hampton, J., . <http://www.fao.org/3/t1817e/T1817E01.htm>

[3] Shomura, R.S.; Majkowski, J.;Langi, S. (eds.) Interactions of Pacific tuna fisheries. Proceedings of the first FAO Expert Consultation on Interactions of Pacific Tuna Fisheries. 3-11 December 1991. Noumea, New Caledonia. Volume 1: summary report and papers on interaction. FAO Fisheries Technical Paper. No. 336, Vol.1. Rome, FAO. 1993. 326p. <http://www.fao.org/3/t1816e/t1816e.pdf> accessed 20th May 2019.

[4] Application of Multi-Sensor Satellite and Fishery Data, Statistical Models and Marine-GIS to Detect Habitat Preferences of Skipjack Tuna. 2011 In Handbook of Satellite Remote Sensing Image Interpretation: Applications for Marine Living Resources Conservation and Management. Publisher: EU PRESPO & IOCCG Editors: Jesus Morales, Venetia Stuart, Trevor Platt, Shubha Sathyendranath

[5] [https://en.wikipedia.org/wiki/Nauru\\_Agreement](https://en.wikipedia.org/wiki/Nauru_Agreement) Accessed 20th May 2019

[6] [http://www.wwfpacific.org/what\\_we\\_do/offshore\\_fisheries/](http://www.wwfpacific.org/what_we_do/offshore_fisheries/)

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[7] Towards a Fishing Pressure Prediction System for a Western Pacific EEZ. Megan A. Cimino, Mark Anderson, Travis Schramek, Sophia Merrifield<sup>1</sup> & Eric J. Terrill. Scientific Reports. 2019 9:461 | DOI:10.1038/s41598-018-36915-x

[8] Oceanic Fisheries Management Project II - Western and Central Pacific Ocean Transboundary Diagnostic Analysis. Vousden, D., (2018). Pacific Island Forum Fisheries Agency. 204 pp

[9] Vousden above n11.

[10] Impact of climate change on tropical Pacific tuna and their fisheries in Pacific Islands waters and high seas areas. Inna Senina, Patrick Lehodey, Beatriz Calmettes, Morgane Dessert, John Hampton, Neville Smith, Thomas Gorgues, Olivier Aumont, Matthieu Lengaigne, Christophe Menkes, Simon Nicol, and Marion Gehlen. WCPFC-SC14-2018/EB-WP-01. WCPFC Scientific Committee Fourteenth Regular Session Busan, Republic of Korea 8-16 August 2018

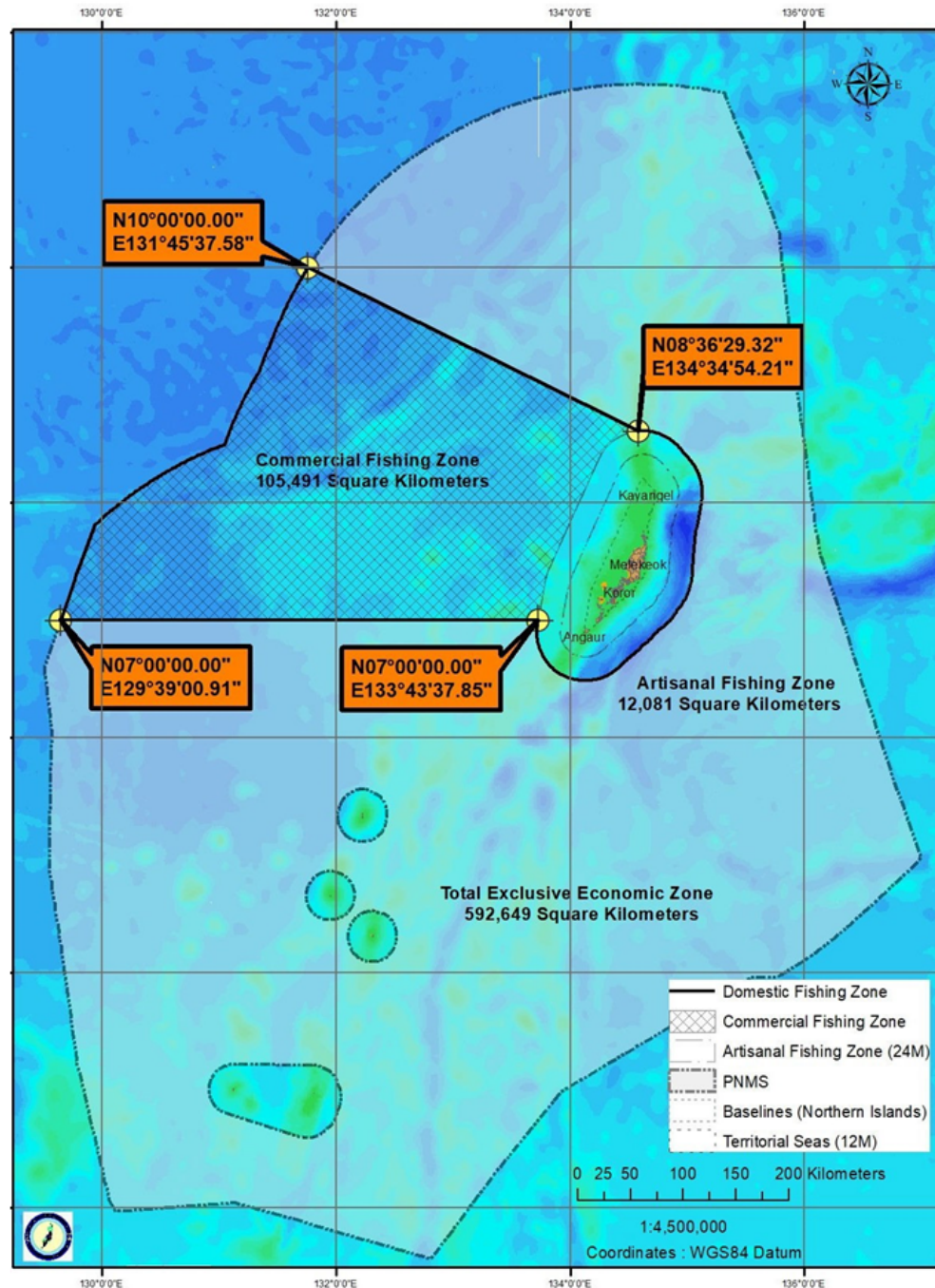
[11] Oceanic Fisheries Management Project II - Western and Central Pacific Ocean Transboundary Diagnostic Analysis. Vousden, D., (2018). Pacific Island Forum Fisheries Agency. 204 pp

[12] <http://www.glispa.org/2018/320-our-ocean-of-hope-hl> accessed 20th May 2019

#### **1b. Project Map and Coordinates**

**Please provide geo-referenced information and map where the project interventions will take place.**

Map of Palau National Marine Sanctuary, Domestic Fishing Zones and Related Boundaries:  
(See Annex C for location of Palau in western Pacific)



Note: Boundaries are indicative.

#### 1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

## 2. Stakeholders

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement.

It is noteworthy that a highly detailed stakeholder consultation process took place prior to the enactment by Executive Order of the PNMS. A significant amount of consultation took place across all levels and sectors of the community. The bill that enacted the PNMS was part of the current President's election campaign which he went on to win which demonstrates the overall support which he had for the PNMS. Such a consultation process and opening up for public comment is a formal requirement modelled on the same system as used in the United States. This included many media interactions (radio and television broadcasts and interviews, newspaper articles and discussions, etc) as well as numerous public meetings and debates in all 16 States.

Just as full stakeholder engagement and consent was a mainstay of the process for adoption of the Palau National Marine Sanctuary, so this has been continued into the project development process and the Project Document provides details of the stakeholder consultation process undertaken during Project development (see Stakeholder Engagement) as well as a detailed Stakeholder Engagement Plan for the Project lifetime (Annex 5). During the project preparation phase, a number of workshops and meetings were held in Palau with actual and potential partners and including in-country stakeholders during which the Project's objectives and outputs were discussed in the context of the need of the country at all levels from senior government to local community representatives, scientific and research establishments (both national and international) and NGOs (both national and international). Further to these various workshops, the Project Validation Workshop to fine-tune and approve the final submission to GEF was held in October 2019 with 75 representatives invited to attend and the Project Document was shared with all of these for comments. Representation at these workshops included various senior government personnel from relevant Ministries and Departments, Council of Chiefs (tribal and community) Sports Fishing community, various NGOs (including the Palau Conservation Society, Nature Conservancy, Conservation International), a number of scientific research and educational establishments (including Stanford University Center for Ocean Solutions, Palau Community college Coral Reef Research Foundation).

The Project Document requires that the project should undertake a thorough stakeholder analysis in order to ensure appropriate and adequate representation of all interested parties in the participatory work planned through the project and to identify the organisations to be represented on the Project Steering Committee (PSC). The PSC will include government agencies, CSOs and NGOs and private sector representatives as appropriate. The PSC representation and terms of reference are expected to be finalized in the Project Inception Workshop (IW) at the start of the Project.

The Project aims to promote a participatory approach which is increasingly being recognized as one of the most cost-effective mechanisms for ensuring the effective implementation and long-term sustainability of MPAs, in that local communities and other stakeholders start to take responsibility themselves for compliance with regulations and implementation of management activities. In this context, some of the indicators of Project Achievement have been defined as:

? Effective governance and management of the PNMS is fully institutionalised and implemented with strong stakeholder involvement

- ? A Partnership/Alliance assembly established through MoUs and similar Agreements that identify areas of support and responsibility and associated funding sources. The Project Document provides a table identifying partners and their roles
- ? An updated MCS Action Plan negotiated by appropriate stakeholders and adopted
- ? Stakeholder and Partner Engagement Plan negotiated adopted and functional within the project

**LIST OF MAINPROJECT STAKEHOLDERS AND EXPECTED ROLES AND RESPONSIBILITIES IN THE PROJECT**

STAKEHOLDER	DESCRIPTION	ROLE IN PROJECT
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Palau International Coral Research Centre (PICRC)	<p>The Palau International Coral Reef Center is Palau's leading research and aquarium institution. Its vision is people empowered with science and knowledge for effective marine conservation and management. PICRC's work is locally and internationally relevant and contributes to better informed decisions regarding the management and conservation of our marine resources. PICRC's Research Department conducts research that is locally and regionally significant. PICRC's practical research is directed towards the sustainable management and conservation of local and regional marine resources.</p>	<p>PICRC is the principal agency in Palau formally charged by Executive Order with the administration and management of the PNMS. PICRC will be the national Executing Agency for the Project and will host the PCU and staff within its offices. The Director of PICRC will also be the Project Director.</p>
Ministry of Justice, Division of Marine Law Enforcement (DMLE)	<p>The Ministry of Justice (Republic of Palau) is part of the Executive Branch of the Government. By Executive Order, the Ministry of Justice is responsible for surveillance of the Republic's maritime jurisdictions, and for monitoring and enforcing restrictions pertaining to the Exclusive Economic Zone, The Domestic Fishing Zone and the Palau National Marine Sanctuary</p>	<p>The Ministry of Justice, and specifically the DMLE, will be responsible for the monitoring, control and surveillance of all activities both within the PNMS and the DFZ. Through the use of their patrol vessels, and operational center (with remote, satellite-supported surveillance capabilities) they will monitor any activities and vessels within the PNMS to ensure that there are no illegal activities taking place and will similarly work closely with the MNRET in policing the DFZ to ensure that any fisheries management regulations are complied with.</p>
Ministry of Natural Resources, Environment and Tourism, Bureau of Marine Resources	<p>The vision of the MNRET is "To be widely recognized in promoting, exploring, exploiting, developing, protecting, and managing the natural resources of the Republic, in areas of marine and fisheries, agriculture, aquaculture, forests, mineral and other land-based and ocean-based resources as well as tourism." Its Bureau of Marine Resources houses the Division of Fisheries Management, the Division of Marine Resources Development and the Division of Information and Data Management</p>	<p>MNRET, through its relevant Divisions, will work alongside the project both to develop the domestic fisheries market, to establish a management strategy for the DFZ (including harvest strategies for commercial species) and to ensure that there are benefits accruing from the DFZ that can be shared with the population of Palau as a whole</p>

Ministry of Finance	The Ministry of Finance ensures accountability, continuous productivity of government services, and economic growth by promoting policies for, and sound management of, expenditures, revenues, financing and human resources	The MoF will work with the project to identify sustainable revenue to support the administration and management of both the PNMS and the DFZ. One important area that will now arise following amendments to the Executive Order will be the collection of taxes on exported fish products
Ministry of Education	The Ministry of Education is responsible for managing, operating and promoting the public elementary and secondary schools systems throughout the Republic and developing and implementing educational curricula and standards at every educational level and related matters.	The Project will work with the MoE through its Communications and Outreach activities to provide young Palauans with the necessary understanding of the function and purpose of the PNMS and of the importance of ecosystem-based management with a view to creating the next generation of leaders and policy-makers who are fully aware of the significance and importance of the oceanic areas over which Palau has jurisdiction.
State Governments	Palau is divided into sixteen administrative regions, called states. Palau has both a tribal chieftdom and elected legislature in each municipality,	The project will maintain a specific focus on ensuring that the cost-benefits from effective administration of the PNMS and management of the DFZ are realised at the state level. In this context, state representation will be encouraged within the stakeholder engagement process in reviewing project delivery and decision-making.



Palau Conservation Society	<p>The mission of the PCS is to work with the community to preserve the nation's unique natural environment and perpetuate its conservation ethic for the economic and social benefit of present and future generations of Palauans and for the enjoyment and education of all. PCS has a Conservation and Protected Areas Program which has objectives to i) Lead and coordinate community-based protected areas creation, management planning, and effective conservation at the state/community level, ii) Provide assistance for the implementation of protected area management plans, iii) Advocate for and support cooperative management of cross-boundary sites, iv) Implement management activities for critical species, and v) Implement activities for improved fisheries management. It also has a Program of Communications and Outreach</p>	<p>The Project and the PCS will collaborate in a number of relevant areas including developing effective communications and outreach that will promote knowledge and understanding of the function of the PNMS and the value to Palauan community of the DFZ. increased community understanding and support will be essential for the long-term sustainability (both financial and political) of the PNMS.</p>
PAN Fund	<p>The Protected Areas Network falls under the administrative jurisdiction of the MNRET. However, sites that join the PAN shall not be controlled by the National Government, the state governments will continue to have ownership and governance of the PAN sites within their boundaries. The Republic of Palau has further created an independent non-profit organization to serve as a financial trustee of the monies obtained to support the PAN to manage the funds from donations and arrival fees. This non-profit organization is called the PAN Fund.</p>	<p>The Project will interact and collaborate with the PAN Office and Pan Fund to ascertain appropriate mechanisms to ensure that some benefits from both the PNMS and DFZ are realised by the state governments as well as the national government for the greater advantage of the Palauan community as a whole. The two bodies will look at streamlining the linkages between PNMS and PAN to strengthen the institutional linkage between the two.</p>



International Atomic Energy Agency (IAEI)	<p>In the context of Climate Change, the IAEA helps countries use nuclear science and technology to monitor emissions and environmental changes to the ocean and ecosystems, mitigate sources of greenhouse gas emissions from energy production and land use, and adapt to new climate realities including food and water shortages and ecosystem losses. Nuclear and isotopic techniques are powerful tools to study the carbon cycle and ocean acidification. They have widely contributed to the understanding of past and current ocean conditions and to predicting the impact of climate change. The IAEA also maintains the Ocean Acidification International Coordination Centre, which helps advance ocean acidification science, capacity-building and global communication.</p>	<p>As of June 2019, the International Atomic Energy Agency (IAEA) has agreed to support Palau International Coral Reef Center (PICRC) to enhance Palau's national capacities and infrastructure to monitor and assess the impacts of OA. The main objective of this project is the accurately measure and observe OA trends and impacts in marine ecosystems of Palau, thereby maximizing the ability of coral reefs to continue providing important services to the people of Palau. The information gathered from this project will be used to guide management and policy decisions. This project is anticipated to run for four years, and it will be a collaborative effort between PICRC, the IAEA, the Ministry of Natural Resources, Environment and Tourism, and the Ministry of State. The project will also strengthen existing ties between PICRC and universities such as Stanford University and the Korean Institute of Ocean Science and Technology (KIOST), by increasing PICRC's capacity in OA research. PICRC and Ministry of State are also working with IAEA to build both the human and technical capacity of PICRC to be the regional center for OA research in the Pacific. This would allow other countries in the Pacific to come to the Center to learn about OA research and send their samples to the Center to be tested. This is a long-term capacity building program that will be able to support Palauan student to get their M</p>
Other Stakeholders	<p>The Project will undertake a specific stakeholder engagement workshop consecutive with its first Inception Workshop to identify other appropriate stakeholders and to confirm their roles in the Project and the appropriate mechanism (timing, venues, etc) for interaction and engagement</p>	







The Project Document identifies that the involvement of stakeholders in project activities will be guided by a robust stakeholder engagement plan(s) that take gender and social equity considerations into account. This stakeholder engagement plan(s) will also make strong provision for conflict management with different categories of user groups.

### **Project Stakeholders**

The project will work with a range of stakeholders including government representatives, local communities and civil society groups, NGOs, private sector, academic and research institutions, with the aim of strengthening their involvement and collaboration in strengthen the Institutional and Governance Structure and Implementing a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau.

Project outputs will be implemented and delivered to optimize equality and gender mainstreaming, ensuring that men, women, youth and marginalized groups benefit adequately from capacity enhancement and effective participation in decisions related to resource management and livelihood support, as well as the distribution of benefits. Stakeholder engagement will reflect the principles of the integrated landscape approach: continuous learning, multiple stakeholders, participatory monitoring and stakeholder participation.

The project will adopt the Human Rights-Based Approach (HRBA) as used by UN agencies since 2003. This requires that the problems and challenges faced by different stakeholders involved in or affected by project interventions and inequalities and discrimination patterns that occur in the area where the project is located are addressed from the beginning. The HRBA approach particularly

emphasises the need for a good understanding of the underlying structural causes of such problems so that effective and sustainable strategies for change can be identified[1]. The stakeholder engagement process to be undertaken during the Project will ensure that the HRBA approach is followed.

As part of the Stakeholder Engagement process, an early and on-going activity will be the development and adoption of a Project Strategy to Address the Impacts and Constraints arising from COVID 19. This will initially be reviewed, discussed and adopted at the Project Inception Workshop and then reviewed at every project board meeting.

## Objectives and Principles

The main objective of the stakeholder engagement plan (SEP) is to ensure that the interests and priorities of the different stakeholder groups and sectors are taken into account during relevant phases of project development and implementation. Specific objectives of the plan include:

- ? Informing stakeholders to ensure a common understanding of the intended project goals and approaches.
- ? Generating project buy-in and appropriation by targeted partners and beneficiaries.
- ? Identification of priority interventions and adequate strategies to successfully achieve the intended outcomes of the project.
- ? Identification of opportunities for synergies and partnerships, including co-financing and institutional cooperation.
- ? Validation of the intervention strategy and targets by its key stakeholders.
- ? Facilitation of participatory M&E and feedback mechanisms.
- ? Establishment of grievance mechanisms.

This stakeholder engagement plan will be implemented according to five basic principles that will ensure its effectiveness and inclusiveness:

I). **Participation:** Open representation and participation of stakeholders will be facilitated at all levels, from Government to local community members.

II). **Gender equity:** Project design and implementation will be responsive to gender-sensitive considerations including the specific capacities and needs of women, the youth and marginalized/vulnerable groups.

III). **Respect for cultural diversity:** Project design and implementation will respect existing customs, traditions, and forms of organization and decision-making.

IV). **Communication and transparency:** Care will be taken to design and implement a communication strategy that guides messages coherently to specific stakeholder groups and audiences targeted by the project. Adequate communication will help avoid unrealistic/false expectations or erroneous interpretations between actors. Information will be provided transparently, without marginalizing any stakeholder groups.

V). **Partnerships and synergies:** Continuous efforts will be made to ensure mapping of other interventions with similar objectives as the project, or initiatives that are related to the same thematic scope as the project. Opportunities will be explored to establish synergies that can help to maximize project impact and avoid duplication of efforts.

## Engagement Methods

Methodologies used by the project to target and engage stakeholders and beneficiaries will depend on the actor, and the stage of project implementation.

? **Project Steering Committee:** Meetings of the PSC will be organized on a regular basis to ensure relevant partners remain actively engaged in monitoring progress and steering the implementation of project activities towards its intended outcomes.

? **Workshops:** Workshops will be used to inform and actively engage larger groups of stakeholders in consultation processes, generating buy-in and sharing knowledge. In particular, the Project will establish a Technical Working Group to provide scientific and technical support to the various deliverables throughout the lifetime of the Project

? **Strategic / informal meetings:** Meetings will be held bilaterally or with groups with the purpose to inform stakeholders and/or obtain agreement on issues of importance for successful project implementation. Group meetings will also form an important means of communication at the community level.

? **Liaisons:** representatives of regional governments and district councils, community leaders, elders, religious leaders, etc. may be used as liaisons, for instance between beneficiaries and other project partners.

? **Expert consultations:** Recognized experts in thematic areas will consult and inform stakeholders on strategic aspects of the project.

? **Exchange visits:** Project partners and beneficiaries may be selected to participate in visits to other sites/countries in order to exchange knowledge and learn from good practices and successful approaches implemented elsewhere that could be replicated in the project sites.

From time to time, as deemed appropriate by the Project Steering Committee or requested by other stakeholders, a formal full Stakeholder Consultation Workshop will be called to discuss specific issues and/or update all parties on progress within the Project Components and their Deliverables. At other times, groups of stakeholders with specific interest or concerns (e. NGOs, CSOs) may request the Project to convene an open Stakeholder Meeting for discussion of pre-selected issues and concerns. The outcome and proposed solutions to the issues and concerns raised will then be carried forward to a formal Stakeholder Consultation Workshop (to be convened no less than 6 weeks after the open Stakeholder Meeting) by selected representation (e.g. from the NGO and/or CSO community).

The project is a Government of Palau project funded and supported by GEF through UNDP. As such, the ownership of all information and data belongs primarily to the Government of Palau. Nevertheless, consultations during the development of the Project identified the overarching need for full and transparent stakeholder involvement in Project activities and in delivery of its objectives. This included the understanding that the public and other stakeholders should have access to the knowledge needed for them to support, understand and contribute to the review, monitoring and effectiveness of regulations and management initiatives. In this context, reports and studies submitted from the Project to the Government and other project management bodies (via UNDP) will be shared in a timely manner with other interested stakeholders for their input.

## **Communication**

In addition to the abovementioned engagement tools, the project will develop a communication strategy that will take into consideration the stakeholder engagement plan and can be adapted depending on the stage of the project, and in response to feedback from stakeholders, as well as the grievance mechanism.

Contents and format of information dissemination will be specifically adapted to targeted audiences, their educational background, cultural contexts, and languages, in order to obtain the highest possible levels of understanding and buy-in, including through the following mechanisms:

? **Community sketches and bulletin boards:** Short, informal performances spoken in local languages, and notifications/posters on local bulletin boards/offices will be developed as a tool to help raise awareness of beneficiaries on relevant project subjects.

? **Brochures/flyers/newsletters:** Printed materials will be used for sharing project summaries and knowledge products with national stakeholders (Government staff, communities around targeted sites).

? **Radio, TV, newspapers, press releases:** The media will be used to reach broader stakeholder groups in the country, mobilize support and raise awareness on project activities and relevant environmental topics.

? **Exhibitions:** Posters, photos, banners, and/or short (20 min) videos may be produced for display in national and international fora and fairs.

? **Policy briefs:** To inform decision makers on recommendations, lessons learned and good practices resulting from project implementation and enable replication/upscaling, policy briefs may be developed for sharing with Government stakeholders.

? **Progress reports:** Reports produced as part of M&E processes (e.g. UNDP GEF PIR) will be shared with the Steering Committee, UNDP, donor(s), as well as other relevant stakeholders (as appropriate).

? **Online media:** The project will share progress updates and good practices to the general public through online media, including a Project Website with links into the websites of partner ministries as well as platforms such as UNDP EXPOSURE[2] and PANORAMA[3]<sup>10</sup>. Posts may include stories, photographs, photoblogs, short video's etc. To reach national and global audiences, the project could also consider establishing accounts on social media including Facebook, Twitter, Instagram and YouTube.

The above mechanisms will form part of an overall Project Communication Strategy to develop by a Communications and Awareness consultancy/expert on behalf of the Project and with full engagement with the project stakeholders so as to better understand and capture their needs and requirements

#### **EXAMPLES OF THE EXPECTED COMMUNICATION TOOLS AND TARGETED STAKEHOLDERS (TO BE DEFINED IN THE OVERALL COMMUNICATIONS AND AWARENESS STRATEGY)**

<b>Stakeholders / Information formats</b>	<b>Sketches</b>	<b>Brochures/flyers</b>	<b>Radio / TV/ newspaper</b>	<b>Exhibitions</b>	<b>Policy briefs</b>	<b>Progress reports</b>	<b>Online media</b>
<b>All Palau</b>	x	X	X	X	X	X	X
<b>Local Authorities in the project sites (Municipalities, Districts Councils, Village Councils)</b>		X	X	X	X	X	X
<b>Local communities at project sites</b>	X	X	X	x			X
<b>Women, including their organizations</b>	X	X	X				X



<b>Environmental and conservation stakeholders (including NGOs and CSOs)</b>	X	X	X	X			X
<b>Private sector (Coastal tourism, water sports operators, etc.)</b>	x	X	X	X			X
<b>Academic /Research institutions</b>		X	X	x	X		X
<b>Development partners, donors</b>		X		X		X	X

<b>ACTIVITY</b>	<b>FREQUENCY OR EXPECTED ?DUE BY? DATE</b>
Inception Phase and Workshop	Once ? beginning of Project
Meetings of Project Steering Committee	At least every 4 months during life of Project
Development and Adoption of a Stakeholder Engagement Strategy	Dates TBD at Inception Workshop
Development and Adoption of a project strategy to address the impacts and constraints arising from COVID 19	Initially at Inception Workshop and then reviewed at every project board meeting
Grievance Mechanisms established as part of the SEP	Dates TBD at Inception Workshop
Development and Adoption of a Communications and Awareness Strategy	Dates TBD at Inception Workshop
Communications and Outreach Platforms in place (website, media reports, frequent Policy Briefings, etc.)	Dates TBD at Inception Workshop
Open <i>ad hoc</i> Stakeholder Meetings	As required
Formal Stakeholder Consultation Workshops	Every 4 months during life of Project
Stakeholder engagement through capacity enhancement and technical support.	As required and as defined in Project Document
Project monitoring with participation of stakeholders (including monitoring of project safeguards and risks)	At PIR, Mid-Term Review and Terminal Evaluation of project

## Resources and Responsibilities

The Project Manager will be responsible for implementing the Stakeholder Engagement Plan and achieving its objectives. He/she will mobilise the project team and partners to conduct specified stakeholder engagement activities and manage the grievance mechanism, according to the objectives and principles of the plan.

ESTIMATED COST OF THE VARIOUS STAKEHOLDER ENGAGEMENT PROCESSES	
ITEM	Estimated Costs US\$
Inception workshop (Year 1)	5,000
Formal Stakeholder Consultation Workshops (across 4 years)	24,000
Field visits and field stakeholder consultations by project staff and local project partners (across 4 years)	80,000
Costs for participation in open meetings by stakeholders on specific issues and concerns	40,000
Communication strategy development & implementation (including websites, policy briefs, all communication and awareness materials)	85,000
<b>TOTAL</b>	<b>234,000</b>

### Grievance Mechanism

In case any grievances exist among project beneficiaries, stakeholders or partners, they will initially be encouraged to direct these to the Project Management Unit and provide the PMU with sufficient background information in order to assess the cause of the grievance and identify possible solutions. If the PMU based on its assessment of the seriousness and complexity of the problem is not able to provide a solution, the grievance may be escalated to the relevant (Government) partner and/or the Project Steering Committee. The PSC may decide to organise an *ad hoc* meeting in order to address the issue, or, if appropriate depending on the urgency, park the issue until the next planned regular meeting.

All grievances should be adequately documented and flagged by the PM, including the causes, responses, and outcomes of actions taken to address the problem. The UNDP Country Office in Mauritius as well as the UNDP-GEF Regional Technical Advisor should be notified immediately in case of grievances that may directly/indirectly hamper project implementation and/or (potentially) affect the reputation of the organisation.

UNDP recognizes that even with strong planning and stakeholder engagement, unanticipated issues can still arise. Therefore, its social and environmental compliance reviews and stakeholder response mechanisms are underpinned by an Accountability Mechanism<sup>[4]</sup><sup>11</sup> with two key components:

1. A Social and Environmental Compliance Review Unit (SECU) to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and
2. A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

The Accountability Mechanism is available to all of UNDP's project stakeholders. SECU investigates concerns about non-compliance with UNDP's Social and Environmental Standards and Screening Procedure raised by project-affected stakeholders and recommends measures to address findings of

non-compliance. The Stakeholder Response Mechanism helps project-affected stakeholders, UNDP's partners (governments, NGOs, businesses) and others jointly address grievances or disputes related to the social and/or environmental impacts of UNDP-supported projects.

Existing national and sector forums may also provide important opportunities for stakeholders to provide feedback on project implementation. Utilization of existing structures and processes to engage stakeholders is encouraged, as this may provide opportunities for issues to be raised before they develop into more significant grievances. However, such fora would not substitute for specific project grievance redress mechanisms (GRM[5]) that may be required.

Accessibility is a key principle for any accountability mechanism. Since accessibility starts with awareness raising, the PM will need to take responsibility for ensuring that project-affected people and communities are informed of UNDP's Accountability Mechanism and the GRM. The stakeholder engagement process provides a key entry point to do this awareness raising and ensure that information about UNDP's Accountability Mechanism is made available to all project beneficiaries and partners. Communication materials are available in the online SES Toolkit[6] to support this effort.

### **Monitoring and Reporting**

Participatory project monitoring and evaluation is a key part of the results-based management (RBM) approach practiced by UNDP and GEF for all projects. Similarly, stakeholder engagement activities will be integrated in the M&E processes for this project to provide sufficient information for adaptive management decision-making. Beneficiaries and project partners will be encouraged to participate in different steps of the process, including design and verification of the logical framework and its indicators, tracking tools, reviews, field visits for monitoring progress, etc. The project will also ensure to regularly disseminate progress reports to relevant stakeholders for inputs, reviews, feedback and information sharing purposes.

The project will use standard UNDP approaches and procedures for M&E processes (see Monitoring and Evaluation Plan section for details).

One specific addition to the Project M&E process recognises the need to specifically address the COVID 19 pandemic at the Inception Workshop and to re-orient the Project in relation to the current status of risk and response to the COVID 19 pandemic and the adoption of any required strategies during project implementation to address this risk.

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[1] UN Evaluation Group (2012) Integrating Human Rights and Gender Equality in Evaluations, Guidance Document [www.uneval.org/document/download/1294](http://www.uneval.org/document/download/1294)

[2] <https://stories.undp.org>

[3] <https://www.iucn.org/theme/protected-areas/our-work/projects/panorama-solutions-healthy-planet>

[4] <https://www.undp.org/content/undp/en/home/accountability/audit/secu-srm.html>

[5] [https://info.undp.org/sites/bpps/SES\\_Toolkit/SES%20Document%20Library/Uploaded%20October%202016/Supplemental%20Guidance\\_Grievance%20Redress%20Mechanisms.pdf](https://info.undp.org/sites/bpps/SES_Toolkit/SES%20Document%20Library/Uploaded%20October%202016/Supplemental%20Guidance_Grievance%20Redress%20Mechanisms.pdf)

[6] [https://info.undp.org/sites/bpps/SES\\_Toolkit/SitePages/Communication%20Materials.aspx](https://info.undp.org/sites/bpps/SES_Toolkit/SitePages/Communication%20Materials.aspx)

**Select what role civil society will play in the project:**

**Consulted only; Yes**

**Member of Advisory Body; Contractor; Yes**

**Co-financier; Yes**

**Member of project steering committee or equivalent decision-making body; Yes**

**Executor or co-executor;**

**Other (Please explain)**

### **3. Gender Equality and Women's Empowerment**

**Provide the gender analysis or equivalent socio-economic assesment.**

#### **Introduction**

The Gender Analysis and Project Gender Mainstreaming Plan respond to GEF and UNDP guidance regarding gender mainstreaming in project development and implies that the needs, priorities, power structures, status, and relationship between men and women are identified and incorporated into the design, implementation, and evaluation of the project; in this way men and women can participate proportionally and benefit equally from the project intervention.

The goal of the gender mainstreaming is, on one hand, to improve the environmental results of the project; on the other hand, the goal is to promote gender equality and women's empowerment. To achieve this goal, a plan to incorporate gender into the project **Strengthening the Palau National Marine Sanctuary for the Conservation and Management of Global Marine Biodiversity and Sustainable Fisheries** has been designed, in which the following actions will be developed:

- ? Strengthen institutional capacities, improving the situation of equality between men and women and ensuring women's empowerment.
- ? Analyze the project's activities, as well as the direct and indirect benefits of the project related to gender.
- ? Support the equal participation of men and women in the project, especially at the decision-making level.
- ? Establish indicators that effectively help to measure progress towards gender equality.

In all areas where an assessment of the current situation is required by the experts responsible for performing the necessary analysis, the current and potential future impacts of the COVID-19 global pandemic on communities in the participating countries and differentiated effects by gender, age, and other characteristics will be considered.

In Palau, women have a strong voice and a role in decision-making processes from the community all the way to the National government. Palau's Gender Division has adopted an approach that does not simply focus on women, but rather the need for inclusivity and whether a person or group is/are vulnerable. Palau's Gender Mainstreaming Policy requires that a 'Gender and Socially Inclusive' and balanced lens be applied to every project and does not advocate simply for 'gender equality.' Gender roles in Palau are rapidly changing for every age and socioeconomic age bracket. Under the constitution of Palau, women are afforded equality of opportunity with men; recommendations by the association of women's chiefs (Mechesil a Belau) are said to be given high consideration in legislative matters. Customary law has constitutional status in Palau and the application of customary practices influences formal criminal procedures[1].

Mechesil a Belau is an organization that has been instrumental in bringing together women's traditional clubs and non-governmental organizations each year to address women's and community issues. Together, these partners have built an effective social network to build capacity among women within the community. Traditional women's groups exist in all states, including the outer atolls and islands that are linked through the Internet and offices in the urban centres to ensure the full involvement of women in developing and implementing programmes. They work closely with Ministry of Community and Cultural Affairs (MCCA) on gender mainstreaming. In-kind support through collaborative work between MCCA, and the Ministry of Education, the Ministry of Justice, the Ministry of Health and the traditional and newly established women's groups, has included training to improve parenting skills, gender and leadership programs, resource management projects such as pilot farm projects and taro patch rehabilitation programs, parents as teachers programs, care-giving training through the community college and work on violence

Historically, the matrilineal succession of land rights gave women a position of great importance and influence in traditional Palauan society. According to custom, every Palauan has land rights inherited from his or her mother. Today, women (especially young women) are less aware of their land rights and clanship relationships and increasing population and migration make tracing lineage and land ownership even more complex. Local customs provide women with rights to customary land title, especially taro gardens, and inheritance passes through the female line. The migration of many Palauans to the urban center of Koror and to other countries, and the consequent increased exposure to non-Palauan values and culture, has weakened the local cultural norms and organization that were central to local society. Women still influence and regulate land management in many ways. Despite the shift from a matrilineal heritage based on a consensual decision-making system to that of a more patriarchal system of inheritance and authority, armed with a strong desire to perpetuate traditional practices and principles, Palauan women perhaps can uncover an effective approach to balancing the old and the new and the contradiction between conservation and development. The ability to balance the old and new ways has long been part of Palauan matrilineal heritage that nurtured, fostered and encouraged adaptation to change. Palauan women continue to desire the values and principles of the past. However, they have adapted well to current trends and strive to integrate important characteristics of the past into the present.

There is no significant disparity between the sexes in education in the public and private elementary and secondary schools, as the ratio of female to male students has been very similar. There was a trend toward fewer female students from 2003 to 2005 (0:96), 2005 to 2010 (0:94) and 2010 to 2013 (0:92). The ratio of female to male students shows a tendency to have more males than females in public schools (4% more males) compared with private schools (2% more females). Nevertheless, Palau has essentially remained on target in the past in meeting its Millennium Development Goals in education.

In 2006, the Household Income and Expenditure Survey analyzed data from a poverty perspective. The survey revealed that a small but significant gender differential existed in poverty incidence. At the national level, 26.5% of households were headed by females and 31.3% of female headed households had expenditures below the basic needs poverty line. The gender differential was more pronounced in rural areas, where 40% of the female headed households had expenditures below the basic needs poverty line.

The Gender Division of MCCA, as the coordinator of gender mainstreaming in Palau, has a responsibility to work with each ministry to implement gender mainstreaming.

In 2016, UN Women along with the Pacific Community worked with the Ministry of Community and Cultural Affairs to prepare a Stock take of the Gender Mainstreaming Capacity of Pacific Island Governments. The report on the Republic of Palau provided recommendations for the enabling environment (legal and policy framework, political will, organizational culture, good governance, technical capacity and adequate resources) and the main recommendations were to: (a) develop a gender mainstreaming toolkit to educate political leaders and human resource personnel within each ministry; (b) establish a comprehensive program to collect and analyze gender disaggregated data; (c) establish a resource center for gender; (d) appropriate national funds for the Gender Division for personnel and operational costs; (e) foster production of annual reports and work plans by the Gender Division with a performance-based budget; (f) develop a sustainable financing strategy for MCCA that includes the Gender Division; (g) establish gender focal points within each ministry to mainstream gender; (h) ensure the active participation of the Minister of MCCA in high level meetings and donor round table discussions; and (i) develop a gender policy, based on the findings of this stocktaking report.

## **1. Main International and National Commitments related to Gender Equality**

Palau ratified the Convention on the Rights of the Child in 1995, and endorsed a number of key international and regional policy frameworks promoting commitment to gender equality, including the 1995 Beijing Platform for Action, the 2000 Millennium Development Goals, the Revised Pacific Platform for Action on Advancement of Women and Gender Equality 2005-2015 and the Pacific Plan (2005, revised in 2007).

In September 2011, Palau signed on the eight core human rights treaties, becoming the first Pacific Island country to have signed all human rights treaties. Palau became a signatory to the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the International Convention on the Elimination of All Forms of Racial Discrimination; the

Convention on the Elimination of All Forms of Discrimination against Women (not endorsed yet); the International Convention against All Forms of Torture and other Cruel, Inhumane or Degrading Treatment or Punishment; the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families; and the International Convention for the Protection of All Persons from Enforced Disappearance. Palau became a signatory to the International Convention on Rights of Persons with Disabilities in 2011 and ratified it on May 8, 2013. By signing these conventions, Palau shows its support to their fundamental principles and the intention to ratify them. It is a step towards Palau becoming a party to these agreements. Two key human rights treaties are in force, but there is no anti-discrimination legislation and limited gender mainstreaming in place. It is recommended that anti-discrimination legislation and more gender mainstreaming be established. To achieve a stronger framework, greater attention to reporting under human rights treaties is needed, and specific anti-discrimination legislation must be enacted. More effort is needed to ensure that the existing legal and policy framework is understood across all political, economic, social and cultural spheres.

However, this should also be seen in the context of the 2009-2014 Medium Term Development Strategy ? Actions for Palau's Future (prepared by the Government of Palau with the assistance of the Facility for Economic and Infrastructure Management and the support of the Asian Development Bank) which states:

*Because of Palau's matriarchal and matrilineal heritage, women are not a classic disadvantaged group in Palau. In general women enjoy better health and achieve higher levels of education than men. While less likely to participate in the labor force, when employed, women earn more than men. Despite this overall favorable situation, service providers identify three categories of women as vulnerable: (a) pregnant women; (b) single mothers; and (c) women who are caregivers for the chronically ill. The Bureau of Public Health has proposed to organize a new Office of Social and Spiritual Health. Assistance to these vulnerable women is part of that office's draft program of work.*

This seems to contradict some of these other findings. Furthermore, the 2017 Regional Overview Women's Economic Empowerment in the Pacific<sup>[2]</sup> (Prepared by the Pacific Community for the 13th Triennial Conference of Pacific Women and 6th Meeting of Ministers for Women) noted that:

*In Palau, 40% of formal sector employees are women and, on average, their gross earnings are slightly higher than for men (2%). The government is the largest employer of Palauan women; these employees receive 2% higher gross earnings on average than their male counterparts*

Today both men and women are active in wage labor, and gender is of little importance except in national political offices, which are rarely held by women. There are women physicians, lawyers, and business managers, and the first Palauan woman serves on the Palau Supreme Court. Palauan society recognizes complementary roles for men and women. The traditional governing village council was male, with a female chiefly counterpart council. Senior women were integrally involved in leadership: they selected (and could remove) the male titleholders. Senior women still have strong voices in clan decisions on property and wealth controlled by the matriline, because money from exchanges enters the clan through the woman. Changes in legal inheritance, however, are eroding women's power.

#### UN Women in Palau

**Advancing Gender Justice in the Pacific (AGJP) Programme:** UN Women is continuing its advocacy initiatives to promote women's political participation, providing knowledge products on harmonised human rights treaty reporting and implementation as well as training for women candidates running for elections. UN Women will also support the government in order to increase access to gender-responsive legal systems for women.

**Ending Violence against Women (EVAW) Programme:** This programme provides stakeholders with access to virtual knowledge platforms, tools and evidence-based resources to better equip them with the knowledge and evidence to advocate for strengthened EVAW legislation, improved policies and services for violence against women survivors. Social media tools are also made available to support community mobilisation that aims to end violence against women and girls, through campaigns such as the United Nations Secretary General's UNiTE to EVAW and Say NO-UNiTE.

**Women's Economic Empowerment (WEE) Programme:** UN Women is supporting informed and evidence-based decision-making when it comes to gender issues by assisting in the production of nationally-generated disaggregated data and statistics on the economic situation of women.

**Increasing Community Resilience through Empowerment of Women to Address Climate Change and Natural Hazards (IREACH) Programme:** UN Women supports the incorporation of gender dimensions in strategic documents for disaster risk management and climate change through the provision of knowledge products and tools on the gendered implications of climate change and disasters.

**Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW):**

Palau has recently passed the Family Protection Act 2013. Customary law has constitutional status in Palau and the application of customary practices influences formal criminal procedures. Palau has no sexual harassment, human trafficking or sex tourism legislation. The definition of rape is limited to sexual intercourse and spousal rape is still exempt from prosecution. The common law rule requiring proof of physical resistance in order to prove absence of sexual consent is still applied, as is the defence of reasonable belief that a victim was of lawful age of consent. Fault-based divorce is practised in Palau and division of matrimonial property in cases of divorce does not take non-financial contribution into consideration. Palauan women are able to vote and can participate as candidates in the elections for president, the 16 members of the National Congress and the 13-member Senate

**Women and the Environment:**

In 2005, as part of a global Environmental Vulnerability Index (EVI) produced by UNEP and SOPAC, Palau was ranked as 'highly vulnerable'. Annual and seasonal maximum and minimum temperatures have increased at Koror at a rate of 0.11°C per decade since 1953. These temperature increases are consistent with the general pattern of global warming. Satellite data indicate the sea level has risen in Palau by about 0.35 inches (9mm) a year since 1993. This is larger than the global average of 0.11-0.14 inches (2.8-3.6mm) per annum. This larger-than-usual rise may, however, be partly due to natural phenomena.



**Beijing Platform for Action and Declaration:** The Beijing Platform for Action was a product of the Fourth Global Conference on Women held in September 1995, and has as its objective to accelerate the application of the Nairobi Strategies that are geared towards progress for women in the future, and to eliminate all obstacles that make difficult their active participation in all spheres of public and private life, widely and equally sharing conditions with men in terms of economic, social, cultural, and policy decisions to create policies, plans, and budgets with gender equality, as a process for poverty reduction and human development in their respective countries.

## **National legislation**

The Palau Constitution and Title 1 of the Palau National Code (PNC) guarantee women equality under the law.

*Every person shall be equal under the law and shall be entitled to equal protection. The government shall take no action to discriminate against any person on the basis of sex, race, place of origin, language, religion or belief, social status or clan affiliation, except for the preferential treatment of citizens (Palau National Constitution, Section IV.5). No law shall be enacted which discriminates against any person on account of race, sex, language, or religion, nor shall the equal protection of the laws be denied (1 PNC 407).*

The 2012 Palau Family Protection Act<sup>[3]</sup> provides protection to families from all forms of abuse. In 2013, consultations began on developing a gender policy for Palau. In this context, 'gender' was considered to mean both men and women in balanced roles in society. In 2013, compilation of the proceedings from 20 years of an annual women's conference in Palau will be completed and will contribute towards developing the policy.

National laws have been established to ensure the protection of children<sup>[4]</sup> as follows:

- 1) Title 22 Palau National Code Chapter 1 Section 101 states the policy and purpose of the law which is to provide for free, compulsory public education for all children aged 6 to 17, or until graduation from high school.
- 2) RPPL 7-55 is an Act which provides for the elimination of spouse exemptions relating to child sexual abuse cases and amends the reporting requirements and penalties, to create a child hearsay exception, to allow closed circuit television and to extend the statute of limitation.
- 3) Title 21 PNC Chapter 6 of the Palau National Code states that: 'It is the policy of the National Government to provide for the protection of children who are subject to abuse, sexual abuse or neglect and who, in the absence of appropriate reports concerning their conditions and circumstances, may be further abused, sexually abused, or neglected by the conduct of those responsible for their care and protection.'
- 4) Title 21 PNC Chapter 6 Palau's Child Abuse Law (as amended by RPPL 7-55) defines abuse, neglect and sexual abuse; requires responsible officials to report suspected cases to the Office of the Attorney General within 48 hours; suspends the normal privileges of communications between spouses and doctors' clients in matters related to abuse; and provides for criminal penalties upon conviction ranging from a fine of not less than USD 1,000 to not more than USD 50,000 or imprisonment of not less than 6 months to 25 years or both.

5) Title 17 PNC Chapter 36 Section 3601 is the Anti-Prostitution Act, passed in 1997 and amended in 2002. The amended act raised the fines to no less than USD 2,500 and no more than USD 10,000 and up to one year's imprisonment. Although there have been several high-profile cases regarding prostitution, there are no major convictions on record.

The three national government agencies responsible for intervening in suspected cases of abuse, neglect and sexual abuse are the Bureau of Public Safety, the Office of the Attorney General and the Victims of Crime and Assistance section within the Ministry of Health. No legislation specifically addresses exploitation of children via sexually explicit videos, movies, photos and electronic images. There are anecdotal reports of children being exploited through payment for posing for sexually explicit photographs, but these reports could not be substantiated for this analysis.

#### Human Development and Gender Equality

According to the data from the 2015 Human Development Report<sup>[5]</sup>, Palau has a Human Development Index (HDI) of 0.780, and occupies 60th place in global ranking with a high HDI. There are no figures within the Report relating to Palau's Gender Inequality Index (GII). Literacy rate was recorded to be 99.5% at ages 15 and older. Unemployment was at 4.2%.

Inequality in education shows 12 percentage points while inequality in income shows 23 percentage points (there were no other figures available within the inequality indices).

Palau achieved several of the Millennium Development Goal Targets including universal p[primary enrollment for boys and girls; the elimination of gender disparity in primary and secondary education; low child and maternal mortality rates; access to safe drinking water. Absolute poverty and unemployment are close to non-existent although under-employment persists.

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#### Women's Participation in the Traditional Fishing Sector

Traditionally, Pacific islanders have relied on marine resources as their main source of food, and fishing skills and knowledge were recognized as the status symbol of both wisdom and masculinity among many Pacific cultures. Likewise, in Palau, fishers were highly esteemed members of the community with fishing being central to the organization of Palauan communities, embodying the gender dichotomy and social stratification, which still supports the basis of the socio-cultural dynamics of the society. In Palauan tradition, for instance, women have traditionally engaged in reef gleaning activities (e.g. for Bêche-de-mer, mud crab coconut crab, etc.) and farming of taro, while men capture fin fish which make up the majority of the Palauan diet.

Prior to colonization, Palauan society was organized into separate communities, each with its own respective chief. Between communities, land and sea barriers were continuous, and each community had proprietorship of sections of the coastline and reef. From ownership of and responsibility for a defined geographical area came a natural conservation ethic. Much of this has now been lost with the onset of modern democracy. Even in the midst of this modernization, fishing has remained both economically and culturally important and is practiced regularly for subsistence purposes, though not

commercially, by many Palauans both in their urban and rural settings. However, the centralization of marine resource management to the contemporary governing body has had negative effects on Palauan fishing culture and fish populations from the early days of the Palauan modernization as it slowly replaced the power of traditional community based management (TCBM) system which was based on the indigenous chieftainship[6].

#### Women's Participation in the Tourism Sector

Palau has had women heading up its Tourism Board and, in fact, In Oceania, 42% of tourist boards with data were headed by a woman. The Marshall Islands, Palau, Vanuatu, Niue and Samoa all have a woman chair of the tourism board.

#### **Activities and Goals of the Plan to Incorporate Gender into the Project**

Within the framework of the project, the actions that will be implemented comply with the following criteria for equality: a) involve women and youth groups; b) ensure equal income among all groups when engaged in the same activity; c) provide equal opportunities for access to training and incentives for sustainable production; and d) equal participation in decision making. The presence of the PNMS no-take zone is not expected to have any negative effects on gender equality as the main fishery that existed in that area was licensed to foreign vessels. The project will consider the contributions made by women to the fishing sector and help to identify opportunities arising as a result of the establishment of the Domestic Fishing Zone. One expected improvement will result from the need for DWFN vessels to land their catches in Palau for onward shipment and/or local consumption. This will encourage processing facilities to establish which will provide further employment. This work is traditionally the role of women in the South Pacific

Further opportunities will include the following:

- ? Strengthening the legal and institutional framework for the Palau National Marine Sanctuary and Domestic Fishing Zone thereby creating conditions to promote gender equality within this framework.
- ? Promoting and making use of the Value of traditional knowledge and biodiversity conservation practices by women.
- ? Recognition and expansion of the importance and role of women in marine production systems (fishing, tourism, etc.)
- ? Recognizing the interest of women to increase family income and develop sustainable production activities.

Targeting and promoting women's interests and knowledge improvement in production processes and sustainable management of biodiversity, particularly through capacity building and training

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[1] From <http://asiapacific.unwomen.org/en/countries/fiji/co/palau> accessed 1st July 2019

[2] <https://www.spc.int/sites/default/files/wordpresscontent/wp-content/uploads/2017/09/Overview-Pacific-Womens-Economic-Empowerment-SPC2.pdf> accessed 1st July 2019

[3] Republic of Palau Public Law (RPPL ) 8-51 Senate Bill 8-147, SDA-HD2. The 2012 Palau Family Protection Act.

[4] Palau National Code Annotated Vol 1 . Constitution Titles 1-29 1995. Orakiruu Corporation, Koror, Palau.

[5] UNDP. 2015 Human Development Report, Work for Human Development.

[6] Lingard, S., Harper, S. Ota, Y. and Zeller, D. (2011) Marine Fisheries of Palau,1950-2008: Total reconstructed catch. pp.73- 84. In: Harper, S. and Zeller, D. (eds.) Fisheries catch reconstructions: Islands, Part II. Fisheries Centre Research Reports 19(4). Fisheries Centre, University of British Columbia [ISSN 1198-6727].

**Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?**

Yes

**Closing gender gaps in access to and control over natural resources; Yes**

**Improving women's participation and decision making Yes**

**Generating socio-economic benefits or services or women Yes**

**Will the project's results framework or logical framework include gender-sensitive indicators?**

Yes

#### **4. Private sector engagement**

**Elaborate on private sector engagement in the project, if any**

The project will engage private sector partners and industry platforms, especially in the fisheries sector, in broader strategy options, taking advantage of advances in technology and recent industry commitments for environmentally sustainable economic growth. Subcommittees or governance structures already in place in the Districts/States will be conformed or used to ensure local participation in the decision-making process and implementation of activities. These structures will be integrated by several stakeholders representing interest groups in fisheries, tourism and conservation. The multi-stakeholder structure will include the participation of the private sector among others. The PSC may also include private sector representation as appropriate

#### **5. Risks to Achieving Project Objectives**

**Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):**

DESCRIPTION	CATEGORY/TYPE	IMPACT AND PROBABILITY	MITIGATION MEASURES
Change in political support for a Sanctuary and re-opening of fishing rights	Political	<p>Potential for the PNMS to be de-gazetted and the DFZ to be removed (Senate Bill reversing the declaration of the PNMS)</p> <p>Low to Medium</p>	<p>Following careful negotiation of the new DFZ and the compromise over foreign fishing vessel entry under strict control measures there is a significant reduction in criticism from non-supportive political opponents as well as increased support from the DWFN involved.</p> <p>Over the lifetime of the Project, certain measures will be taken to strengthen the international profile and image of the PNMS to make it more resilient and more of a globally recognised success story</p>

Impacts of ongoing COVID19 pandemic and any new human disease outbreaks on project implementation	Operational, Financial	Impacts could be high, likelihood is moderate to high (based on new vaccines being available)	<p>As of December 2020, the scale, duration and impact of this pandemic upon project implementation cannot be confirmed, but it has the potential to be High, at least in the earlier stages of Project Implementation prior to widespread global vaccination. The Approval and distribution of effective vaccines promises to significantly improve the situation during the first year of Project implementation. It is anticipated that tourism will re-open within the first 12 months of Project implementation which will provide the much-needed revenues to develop longer-m sustainability. The project will comply with government directives and follow UN advice at <a href="https://www.un.org/en/coronavirus/UN-response">https://www.un.org/en/coronavirus/UN-response</a> in order to reduce health risks to project staff and stakeholders. If appropriate and required at any point during implementation, project activities (select or all) will be delayed if they present ongoing health risks and operational constraints caused by social distancing, quarantine and other measures. A six-month buffer may be imposed at each end for potential start-up and completion delays. Implementation may be paused, as deemed necessary, in affected areas while government disease prevention or control measures are implemented and resumed at a later time if feasible. The Project Steering Committee will guide project responses through email correspondence for ongoing situations, as required. Revision of the project workplan may be necessary and an extension request may be required if implementation is substantially delayed. Some adaptive adjustment may be needed to project strategy during implementation (e.g. on capacity building and training, on scientific monitoring programmes, and on MCS and fisheries management activities.).If still appropriate, the impacts of COVID 19 will be addressed in the SAP and strategies/mechanisms identified to address any new diseases that may arise during the project lifetime</p>
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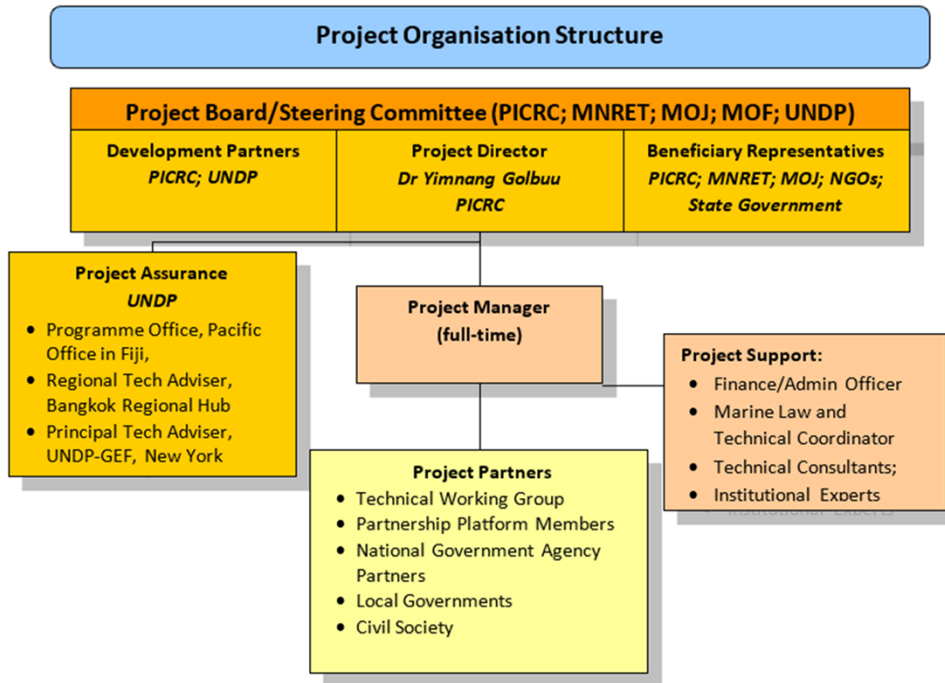
Inadequate monitoring and surveillance for compliance with regulations	Technical, Operational	Low	MCS partnerships are already in place and being expanded through the project. FFA will support from the regional WCPFC Surveillance Centre as well the Vulcan Operations Center in Seattle (satellite tracking). The revised locations of the PNMS and DFZ make MCS and monitoring of IUU significantly more simplified and the new technologies planned (e.g. drones, E-Monitoring and E-Reporting) will also provide stronger surveillance and compliance
Inability to raise or maintain capacity for ecosystem monitoring and responses	Technical, Operational	Low	Partnerships are already being put in place to address this (e.g. Stanford Center for Ocean Solutions, Global Oceans, Global Seamounts Project, etc.) and a comprehensive CP&T programme is planned to delivery this as a long-term process with international mentoring and capture of lessons
Currently adopted fisheries and sanctuary regulations found to be inappropriate	Management, Technical, Political	Low	The current regulations have been carefully negotiated however it is quite possible that circumstances may change and that these regulations could be found to be ?wanting? and in need of amendment/strengthening. This is not an unusual situation when first setting up and launching such an MPA and fisheries management process and the overarching concept of proactive Adaptive Management and Precautionary Approach as is written into the ProDoc, its outcomes and Outputs would address this in a timely and efficient manner
Failure of Partnership Arrangements to provide adequate support	Political, Operational, Financial	Low	As noted above, Partnerships are already falling into place with a significant international interest growing in supporting the PNMS. Formal MoUs will be adopted where appropriate and agreements will always be negotiated beforehand so all parties are aware of their function and expectations. The Our Oceans conference being held in Palau in 2020 should provide an excellent platform for the promotion/encouragement of further long-term partnerships

Inadequate and/or unsustainable long-term funding	Financial, Political	Low	The recently revised legislation and cabinet bill passed through Government has strengthened the long-term sustainable funding to support the PNMS. The Project itself highlights long-term sustainable funding as a main Outcome from the Project with a number of supportive Outputs. It is recognised that certain funding for the Project from tourism revenue may be constrained in the first year of Project implementation. If this unduly effects implementation activities, then the Project may need to consider a no-cost extension and this can be addressed if necessary at the Mid-Term Review
Boundaries of PNMS with neighbouring countries remain formally undefined which could present enforcement problems	Political, Operational	Low to Medium	The Project identifies the need to advance negotiations over the EEZ boundaries relative to the two neighbours where these have still to be resolved. It is expected that some international support may help to move these discussions forward to a satisfactory conclusion

#### 6. Institutional Arrangement and Coordination

**Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.**





The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Palau and the UNDP Country Programme based on the United Nations Development Assistance Framework (UNDAF). The Implementing Partner for this project is the Palau International Coral Reef Center. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

A Project Board will be established. The composition of the Project Board must include the following roles:

**Project Executive:** Is an individual who represents ownership of the project and chairs the Project Board. The Director is normally the national counterpart for nationally implemented projects. The Director is: Dr Yimnang Golbuu, Chief Executive Officer, Palau International Coral Reef Center (PICRC).

**Beneficiary Representative(s):** Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The Beneficiary representatives are: Ms. Bola Majekobaje, Executive Director, Palau Conservation Society, Honorable Arnold Oilouch, Vice President and Minister, Ministry of Justice, Honorable F. Umiich

Sengebau, Minister, Ministry of Natural Resources, Environment and Tourism, Mr Temmy Shmull, Chair, Governors' Association.

Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is/are: Mr. Levan Bouadze, Resident Representative, UNDP Pacific Office and Dr Yimnang Golbuu, Chief Executive Officer, PICRC.

Project Management: The PCU will be located in Rokok, Palau and housed in the Offices of the Palau International Center for Coral Research, The PCU will be made up of the Project Manager, a Finance/Admin Officer, a Project Assistant, a Marine Law Expert, Technical Consultants and a Technical Advisor (as required). Technical support will include input from a Gender Expert, a Communications Expert, and a M&E Expert from UNDP. Other technical expertise will be hired during the project lifetime on a temporary/consultancy basis.

Technical Support and Working Group: The PCU and the Project Stakeholders will establish a Technical Working Group to guide the Project in its various deliverables throughout the Project lifetime. The members of this group would be predominantly experts within Palau, but external regional or international expertise may be invited to join as deemed appropriate.

One important new function of such a Project Board will be to provide guidance and instruction on implementation activities in relation to COVID 19 taking into account government directives as well as UN advice at <https://www.un.org/en/coronavirus/UN-response> in order to reduce health risks to project staff and stakeholders.

## **7. Consistency with National Priorities**

**Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:**

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Palau has a global reputation for marine conservation and is recognised as a leader in sustainable development. Balancing economic development with the preservation of natural assets is an ongoing challenge for Palau. Pollution, solid waste disposal, unsustainable development, crop disease, declining marine resources, and invasive species all threaten the country's unique biodiversity. During the El Niño weather pattern of 2015-2016, Palau recorded its lowest annual rainfall in 65 years and a State of Emergency was declared.

The main economic challenge Palau faces is to reduce its general vulnerability by diversifying its base and strengthening its fiscal self-sufficiency. As with other Pacific Island nations, Palau is reliant on ODA (from the US Compact and Trust Fund), external grants, and imported food. The economy has performed well in recent years with GDP growth of 9.4 per cent. The rapid expansion of tourism has placed considerable demand on aging infrastructure and the country's fragile environment in addition to producing adverse social and cultural impacts. This has prompted concerns about the carrying capacity of Palau in the short to medium term. In response, the government has limited the number of in-bound flights and is seeking to cultivate higher-end ecotourism and a sustainable pathway for tourism development.

Palau 2020: National Master Plan for Development adopted in 1996 is a long-term comprehensive plan for social, economic, and infrastructure development organized around the overarching theme of improving the quality of life for all citizens. Palau's National Development Strategy focuses on Oceans, Climate Change, Disaster Reduction and Tourism. Within these major areas the identified priorities relevant to this current project include:

- ? Improving regulatory frameworks
- ? Identifying and establishing financing options
- ? Improving research and baseline studies ? Feasibility studies
- ? Monitoring and evaluation frameworks
- ? Pilot projects
- ? Human Resources capacity building

The proposed GEF project eminently fits these national priorities.

The project will help to ensure that Palau is implementing CITES nationally, especially within the PNMS as 'no-take' means that certain bycatch and its parts are no longer being exported (knowingly or unknowingly) from Palau (e.g. shark fin, turtle shell, etc). This would need to be the subject of specific monitoring and observation within the 20% DFZ.

The Project further addresses the global environmental priorities through the Convention on Biological Diversity Aichi Target 11 'Protected Areas Increased and Improved' which states that 'By 2020, at least 17 per cent of terrestrial and inland water areas and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively

and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscape and seascape?. Part of the implementation rationale that the Aichi Target address is that "the Ecosystem Approach should be applied taking into account ecological connectivity and the concept of ecological networks, including connectivity for migratory species". The PNMS will focus clearly on the connectivity of the coastal and offshore ecosystems and their interdependence and interaction, as well as the implications of such connectivity and of highly mobile and migratory species on the conservation and management roles at both the national and state government level.

The Project also addresses primarily the UN Sustainable Development Goal 14 (To conserve and sustainably use the oceans, seas and marine resources for sustainable development) in the context of several Targets and Indicators (see Annex 9). It also has an impact on SDG 2 - End hunger, achieve food security and adequate nutrition for all, and promote sustainable agriculture and SDG Target 8.7 creating incentives for the development of sustainable tourism which takes into account community participation, local culture and local products.

## **8. Knowledge Management**

**Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.**

Knowledge Management constitutes an entire Component of the Project (Component 4: Improvement in Knowledge Management, communication and awareness outreach coupled with effective Project Monitoring and Evaluation) with a budget allocation of a little over \$300,000. Key deliverables include the incorporation of lessons and best practices from other similar projects and initiatives both within and outside the GEF "stable" into project activities and deliverables, along with sharing of information and close cooperation on complementary activities; the capture and appropriate distribution of Best Lessons and Practices from the Project in a user-friendly format to support further capacity building and training and to encourage replication and/or scaling up as and where appropriate (this process will link into the Stakeholder Engagement Plan to ensure stakeholder input as well as sharing/ learning. This process will also advise and provide feedback/documentation to IW:LEARN); a Communications and Awareness Outreach Programme established and delivered that explains the function and benefits derived from the PNMS and DFZ. This would further address the need for regular communications during project implementation in order to advise all stakeholders of the status and delivery from the project and the status of the PNMS itself. Tools that will be explored for better Knowledge Management will include the use of appropriate databases, setting up and linking into knowledge platforms and groupware systems, the development and sharing/access to analytical tools such as statistical packages and cost-benefit analyses, and the effective use of exchanges and conferencing. The effectiveness of project management and delivery will be assessed and steered through a Monitoring and Evaluation Plan (see Annex 3) also supported by a Stakeholder Engagement Plan that requires strong stakeholder inputs to the project's outputs and to their on-the-ground delivery.

## **9. Monitoring and Evaluation**

## Describe the budgeted M and E plan

The project results as outlined in the project results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results. Supported by Component/Outcome Four: Knowledge Management and M&E, the project monitoring and evaluation plan will also facilitate learning and ensure knowledge is shared and widely disseminated to support the scaling up and replication of project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP[1] and UNDP Evaluation Policy. While these UNDP requirements are not outlined in this project document, the UNDP Country Office will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the GEF M&E policy and other relevant GEF policies[2].

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point and national/regional institutes assigned to undertake project monitoring. The GEF Operational Focal Point will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Tracking Tools for all GEF-financed projects in the country, including projects supported by other GEF Agencies[1]. Furthermore, M&E activities and recommendations/guidelines relating to the constraints and impacts from the COVID 19 pandemic will represent an important additional set of requirements.

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[1] [https://www.thegef.org/gef/gef\\_agencies](https://www.thegef.org/gef/gef_agencies)

## Additional GEF monitoring and reporting requirement:

Inception Workshop and Report: A project inception workshop will be held within two months after the project document has been signed by all relevant parties to, amongst others:

- Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;

? Specifically, to re-orient the Project in relation to the current status of risk and response to the COVID 19 pandemic and the adoption of any required strategies during project implementation to address this risk

? Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;

- Review the results framework and finalize the indicators, means of verification and monitoring plan;

- Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;

- Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; Environmental and Social Management Plan and other safeguard requirements; the gender strategy; the knowledge management strategy, and other relevant strategies;

- In particular, to ensure that the UNDP Social and Environmental Standards for Standard 6 on Indigenous Peoples are met, the Inception Workshop will also include an FPIC review and assessment undertaken by a specialist consultant. Based on this review and assessment, a decision will be made by those affected and by the workshop as to whether a more detailed FPIC process is required to ensure overall consent and agreement and whether an Indigenous People's Plan (IPP) is also a project requirement. If it is decided that an FPIC process is required, a stakeholder consultation and validation exercise will be initiated in order to define the parameters of the FPIC process. The FPIC assessment process will be launched as early as possible, but definitely before any activities predicated on the granting of FPIC are initiated by the project and such activities would be placed on hold until the outcomes of the FPIC process are validated and any required mitigation measures are in place. Any subsequent consent required would need to be based on an objective view of the main activities of concern and to cover both the positive and negative potential of project activities, and the associated consequences of giving or withholding consent.

- Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and

- Plan and schedule PSC meetings and finalize the first-year annual work plan. The first PSC meeting should be consecutive with and immediately after the Inception Workshop

- Formally launch the Project.

The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP Country Office and the UNDP/GEF Regional Technical Adviser and will be approved by the Project Steering Committee.

Project Induction Training Workshop: Coinciding with the Inception Workshop. The induction workshop will raise awareness on basic UNDP operational requirements and processes i.e. including finances, human resources and procurement

GEF Project Implementation Report (PIR): The Project Manager, the UNDP Country Office, and the UNDP/GEF Regional Technical Advisor will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework, are monitored annually in advance of the PIR submission deadline so that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR, with specific attention being focused on any constraints, challenges or changes required as a result of the COVID 19 pandemic.

The PIR submitted to the GEF will be shared with the Project Steering Committee. The UNDP Country Office will coordinate the input of the GEF Operational Focal Point and other stakeholders to the PIR as appropriate. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums as defined in Component 4 under Knowledge Management. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous

information exchange between this project and other projects of similar focus in the same country, region and globally.

GEF Focal Area Tracking Tools: The GEF 7 Biodiversity Protected Areas Tracking Tool will be used to track specific delivery on the overall Objective as agreed with the UNDP/GEF Regional Technical Advisor. The baseline/CEO Endorsement GEF Focal Area Tracking Tool (METT - submitted as Annex 10 to this project document) will be updated by the Project Manager/Team (not the evaluation consultants hired to undertake the terminal evaluation) and shared with the mid-term review consultants and terminal evaluation consultants before the required review/evaluation missions take place. The updated GEF Tracking Tool will be submitted to the GEF along with the completed Terminal Evaluation report.

Mid-Term Review (MTR): An independent Mid-Term Review process will take place between the 22nd and the 24th month of this 48-month Project. Although such an MTR is not compulsory for Medium Sized projects, this Project is relatively unique and would benefit from such a review to allow for any appropriate corrective actions during its second half and to ensure full delivery of Outputs and Outcomes. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project's duration. The terms of reference, the review process and the MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). As noted in this guidance, the evaluation will be "independent, impartial and rigorous". The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted. Additional quality assurance support is available from the UNDP-GEF Directorate. The final MTR report will be available in English and will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Advisor and approved by the Project Steering Committee.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the [UNDP Evaluation Resource Center](#). The terminal evaluation process will begin at least 5 months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The Project Manager will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center. As noted in this guidance, the evaluation will be "independent, impartial and rigorous". The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the UNDP/GEF Directorate. The final TE report will be cleared by the UNDP Country Office and the UNDP/GEF Regional Technical Advisor and will be approved by the Project Steering Committee. The TE report will be publicly available in English on the UNDP ERC.

The UNDP Country Office will include the planned project terminal evaluation in the UNDP Country Office evaluation plan and will upload the final terminal evaluation report in English and the corresponding management response to the UNDP Evaluation Resource Centre (ERC). Once uploaded to the ERC, the UNDP IEO will undertake a quality assessment and validate the findings and ratings in the TE report and rate the quality of the TE report. The UNDP IEO assessment report will be sent to the GEF IEO along with the project terminal evaluation report.

Final Report: The project's terminal PIR along with the TE report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Steering Committee during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information: To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[1] and the GEF policy on public involvement[2].

The Full Project Document provides a detailed budget to support this M&E plan.

[1] See [http://www.undp.org/content/undp/en/home/operations/transparency/information\\_disclosurepolicy/](http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/)

[2] See [https://www.thegef.org/gef/policies\\_guidelines](https://www.thegef.org/gef/policies_guidelines)

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget (US\$)		Time frame
		GEF grant	Co-financing	
<b>Inception Workshop</b>	UNDP Country Office	USD 3,500	USD 3,500	Within 60 days of CEO endorsement of this project.
<b>Inception Report</b>	Project Manager	None	None	Within 90 days of CEO endorsement of this project.
<b>Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP</b>	UNDP Country Office	None	None	Annually prior to GEF PIR. This will include GEF core indicators.
<b>Monitoring of indicators in project results framework</b>	M&E Expert	USD 15,000	USD 5,000	Annually



<b>GEF Project Implementation Report (PIR)</b>	Project Manager and UNDP Country Office and UNDP/GEF team	None	None	Annually typically between June-August
<b>Lessons learned and knowledge generation</b>	Project Communications/ Knowledge Management Expert Project Manager	None (covered by this position within Component 4)	USD 5,000	Annually
<b>Monitoring all risks (UNDP risk register)</b>	UNDP Country Office	None	Monitoring all risks (UNDP risk register)	UNDP Country Office
<b>Monitoring of environmental and social risks, and corresponding management plans as relevant</b>	Project Manager UNDP CO	None	USD 17,500  (Includes time of Gender Expert covered by UNDP)	On-going
<b>Monitoring of stakeholder engagement plan</b>	Project Stakeholder Engagement Officer	Add as per plan	On-going.	Monitoring of stakeholder engagement plan
<b>Monitoring of gender action plan</b>	Project Gender Officer	Add as per plan	On-going.	Monitoring of gender action plan
<b>Project Steering Committee meetings</b>	Project Steering Committee  UNDP Country Office Project Manager	USD 9,000 (USD 1,500 per meeting)	USD 9,000 (USD 1,500 per meeting)	Every 6 months
<b>Supervision missions</b>	UNDP Country Office	None	None	Annually
<b>Oversight missions</b>	UNDP/GEF team	None	None	Troubleshooting as needed
<b>Knowledge management as outlined in Outcome 4</b>	Communications/ Knowledge Management Expert Project Manager	USD 10,000	USD 5,000	On-going
<b>GEF Secretariat learning missions/site visits</b>	UNDP Country Office and Project Manager and UNDP/GEF team	None	None	To be determined
<b>Update Terminal GEF Tracking Tool</b>	Project Manager	USD 2,500	USD 2,500	Before Mid-Term Review and Terminal Evaluation mission

<b>Mid-Term Review</b>	<b>Independent Mid-Term Reviewer</b>	<b>USD 20,000</b>	USD \$5,000	Between 18 and 22 months into Project
<b>Independent Terminal Evaluation (TE) included in UNDP evaluation plan</b>	<b>Independent Terminal Evaluator</b>	<b>USD 25,000</b>	USD 10,000	At least 5 months before operational closure
<b>TOTAL indicative COST</b> Excluding project team staff time, and UNDP staff and travel expenses		<b>USD 85,000</b>	<b>USD 62,500</b>	<b>TOTAL indicative COST</b>

## 10. Benefits

**Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCAF/SCCF)?**

The project will work with a range of stakeholders including government representatives, local communities and civil society groups, NGOs, private sector, academic and research institutions, with the aim of strengthening their involvement and collaboration in strengthen the Institutional and Governance Structure and Implementing a Strategic Plan for the Sustainable Management of the Palau National Marine Sanctuary and Domestic Fishing Zone and provide a healthy and productive ecosystem for the benefit of all people of Palau. Project outputs will be implemented and delivered to optimize equality and gender mainstreaming, ensuring that men, women, youth and marginalized groups benefit adequately from capacity enhancement and effective participation in decisions related to resource management and livelihood support, as well as the distribution of benefits.

## 11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

**Overall Project/Program Risk Classification \***

<b>PIF</b>	<b>CEO Endorsement/Approval</b>	<b>MTR</b>	<b>TE</b>
<b>Medium/Moderate</b>			
<b>Measures to address identified risks and impacts</b>			

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

**Part B. Identifying and Managing Social and Environmental Risks**

<p><b>QUESTION 2: What are the Potential Social and Environmental Risks?</b></p> <p><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 ? Risk Screening Checklist (based on any ?Yes? responses). If no risks have been identified in Attachment 1 then note ?No Risks Identified? and skip to Question 4 and Select ?Low Risk?. Questions 5 and 6 not required for Low Risk Projects.</i></p>	<p><b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b></p> <p><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>			<p><b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b></p>
<p><b>Risk Description</b></p>	<p><b>Impact and Probability (1-5)</b></p>	<p><b>Significance (Low, Moderate, High)</b></p>	<p><b>Comments</b></p>	<p><b>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</b></p>

<p>Risk 1: Government officials do not have adequate monitoring and surveillance and capacity for compliance with regulations</p>	<p>I = 3  P = 3</p>	<p>Moderate</p>	<p><b>Refer to Principle 1.5:</b></p> <p><b>Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?</b></p> <p>Project preparation reveals that government entities are not currently capable of ensuring monitoring, control and surveillance of activities within PNMS and DFZ boundaries. This therefore remains as a potential risk during the project lifetime if appropriate measures are not taken or are found to be unsuccessful</p>	<p>Project will equip operations room with equipment and hire staff to ensure its operational over 24 hours</p> <p>Monitoring program/schedule and operational plan will be developed and implemented. Project will liaise/collaborate with Forum Fisheries Agency and Western and Central Pacific Fisheries Commission Surveillance center. New technologies will be explored, including drones, E-monitoring and E-Reporting. The Project will support development and implementation of a Capacity Building and Training Program. Participation will include national government, state government, Non-Governmental Organizations and regional organizations.</p>
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<p>Risk 2: Unequal participation and/interest of women in capacity building efforts supported through project</p>	<p>I = 3</p> <p>P = 3</p>	<p><b>Moderate</b></p>	<p><b>Refer to Principle 2.2:</b></p> <p><b>Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?</b></p> <p>If such discriminations occurred, it could lead to inadequate and/or unfair distribution benefits to women in communities</p>	<p>Gender mainstreaming plan is developed and will be implemented during project life. Outcome 3.1 of gender mainstreaming action plan specifically focused on livelihood opportunities associated with the blue economy and increasing women participation in eco-tourism sector.</p> <p>Through the Stakeholder Analysis and consequent Engagement Plan, Project outputs will be implemented and delivered to optimize equality and gender mainstreaming, ensuring that men, women, youth and marginalized groups benefit adequately from capacity enhancement and effective participation in decisions related to resource management and livelihood support, as well as the distribution of benefits.</p>
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<p>Risk 3: The project could cause Economic displacement/ by supporting/creating limited access to fishing grounds. Also addresses Partial economic displacement of indigenous peoples through access to resources</p>	<p>I = 3</p> <p>P = 2</p>	<p><b>Moderate</b></p>	<p><b>Refer to Principle 1.3</b></p> <p><b>Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?.</b></p> <p>and</p> <p><b>Refer Standard 6.6:</b></p> <p><b>Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?</b></p> <p>This has been rated as 'Yes' as there are marginal possibilities that there may be some unplanned and unforeseen impacts that could potentially cause economic displacement, despite the fact that the project's objectives are entirely opposite to such eventualities</p> <p>Establishment of 80% of country's Exclusive Economic Zone as a National Sanctuary will reduce available fishing grounds/area only for Distant Water Fishing Nations. Local fishers have not and do not traditionally access these offshore areas and therefore do not risk economic</p>	<p>The Olbiil Era Kelulau (National Congress and Senate) has decreed that 'protecting and preserving Palau's environment is an essential part of Palaun culture (the Bul system) and that this act (creating the PNMS and DFZ) will ensure that Palau's natural wonders can be enjoyed for generations to come?.</p> <p>The PNMS is in itself a conservation measure which supports the tourism economy through a healthy marine environment and promotes long term food security for Palauan's. In addition, spillover effects from the PNMS will also result in abundance of marine life into DFZ.</p> <p>The DFZ will provide long-term food security within Palau and protect important goods and services, increasing livelihoods and reducing pressure on reef fisheries.</p> <p>The Project Document has been reviewed discussed and agreed by the appropriate rights - holders and indigenous leaders through their customary decision-making process. This will be further confirmed and any newly-arising or previously overlooked risks and outcomes will be discussed and rectified/mitigated during the Inception Workshop and through a specific consultancy to review the SES process in line with FPIC and the potential need for an Indigenous</p>
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<p>Risk 4: Closure of 80% of EEZ to commercial fishing places pressure on coastal ecosystems, particularly reefs</p>	<p>I = 3</p> <p>P = 2</p>		<p><b>Refer to Standard 1.2:</b></p> <p><b>Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?</b></p> <p>Closure of the PNMS to fishing plus strict control on the DFZ has reduced the presence of DWFN and the quantity of catch entering the Palauan market. This has temporarily created increased demand on coastal fisheries to fill the supply gap which, if maintained, could threaten the well-being of this coastal ecosystem and associated livelihoods and food security</p> <p>P rating given as 2 but more likely to be 1 if Project can implement soonest</p>	<p>The project itself is not responsible for these closures which were enacted in 2015. The aim of the project is to support the Palauan government and its people to properly manage and administer both the PNMS and the DFZ to meet their objectives while maintaining sustainability of livelihoods and food security yet preventing over-exploitation and removal of these resources for the benefit of other nations and the consequent loss to Palau and its communities and indigenous peoples.</p> <p>Such a temporary increase in pressure on coastal fisheries was expected and this is why the DFZ had been given such a high priority. Proper establishment of the DFZ, effective development of Palau's own pelagic fishing fleet, and firm control over licensed DWFNs are high priorities for the project. One of the reasons for submitting a Medium Sized Project and not a Full Project was to fast-track this process in order to ensure that such increase in demand on coastal fisheries could be avoided and the DFZ would have been properly established. Regrettably, some hold-ups so far in submission and endorsement means that this has already started to become an issue and the Project will need to move quickly to reverse this situation.</p>
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<p>Risk 5: Illegal, unreported and unregulated fishing and illegal practices</p>	<p>I = 3</p> <p>P = 2</p>	<p><b>Moderate</b></p>	<p><b>Refer to Standard 1.7:</b></p> <p><b>Does the Project involve the production and/or harvesting of fish populations or other aquatic species?</b></p> <p>Illegal, unreported and unregulated fishing threatens to undermine the realization of the PNMS objectives and thus of project objectives e.g. PNMS fails as a replenishment ?no-take? zone &amp; PNMS systems not financial sustainability</p>	<p>One of the principle aims of the project is to build capacity and skills to address this both in-country and through partnership agreements.</p> <p>Components 1 and 2 will address these risks</p> <p>Components 1 focusses on institutional and governance realignment for effective monitoring and adaptive management within the PNMS and adjacent domestic fishing zone. In particular, outcome 1.1. ensure that the PNMS institutional, management and regulatory frameworks and mechanism are both strengthened and under implementation</p> <p>Component 2 focuses on enhanced monitoring, control and surveillance of activities within the established PNMS and DFZ zones. In particular, outcome 2.1 ensures that the regulations and laws pertaining to PNMS and DFZ are enforced effectively and sustainably</p>
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<p>Risk 6: Climate change having negative impacts on National Marine Sanctuary and food security in Domestic Fishing Zone</p>	<p>I=3 P= 3</p>	<p><b>Moderate</b></p>	<p><b>Refer to Standard 2.2</b></p> <p><b>Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?</b></p> <p>Potential stress from sea level rise, storm surges and increasing water temperature will be felt by ecosystems. This may cause habitat disturbance and displacement of marine species e.g. movement/pathways of migratory species like Tuna and reef fish which are important sources of proteins for Palauan?s.</p>	<p>Ecosystems assessments facilitated under Component 3 will provide important data. This will provide a basis for appropriate amendments and reviews to plans and execution of activities/strategies as a process of adaptive management. Should the findings of ecosystem assessment warrant significant change to work plans, this will be discussed with technical experts as well as presented to the steering committee for decision making. Some findings may not be significant and therefore the project implementation unit could facilitate necessary amendments as part of adaptive management.</p>
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<p>Risk 7: Safety of staff in law enforcement &amp; compliance might be compromised.</p>	<p>I=2 P= 2</p>	<p>Low</p>	<p><b>Refer to Standard 3.7:</b></p> <p><b>Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?</b></p>	<p>Through outcome 1.2, the project will implement a capacity building and training program over 5 years. This will be based on the training needs of stakeholders including those involved in surveillance and enforcement. Through outcome 2.1., the project will collaborate closely with regional agencies such as Parties to the Nauru Agreement and Forum Fishery Agency to effectively enforce laws of PNMS and DFZ. Electronic observer systems will be explored during implementation of project. In addition, its operations center is equipped with remote, satellite surveillance capabilities. The Project itself and its supporting activities will not be engaged in at-sea enforcement operations which would have inevitable safety concerns.</p> <p>Such security issues are a significant concern for UNDP in the context of human rights, appropriate wording has been included in the Project Document (under Management Arrangements) to confirm that such security and safety issues are not a threat in this Project.</p> <p>All of these Components provide support through the Project to capacity building and associated training for land-based surveillance and enforcement processes through the DMEL Operations Room and its interaction with national</p>
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<p>Risk 8. Potential impacts on indigenous people (positive and/or negative) without their knowledge or consent.</p>	<p>I = 4</p> <p>P = 2</p>	<p><b>Moderate</b></p>	<p><b>Refer to Standard 6.1, 6.3, 6.6:</b></p> <p>The PNMS could potentially affect all persons in Palau if it were to have economic consequences. Culturally appropriate consultations have taken place inasmuch as the governmental system of Palau requires approval by the Congress and Senate which includes representation from the sixteen administrative regions and State Chiefs who represent the indigenous population and community. The project will ensure, at the earliest opportunity, that such consultations and consents are adequate and appropriate</p>	<p>Further assessment and management will be undertaken in the initial phase of project implementation, with the need for further FPIC and/or an Indigenous Peoples Plan (IPP) to be confirmed by an appropriately qualified consultant at the beginning of the project (Inception Phase)</p> <p>Free, Prior and Informed Consent has been a mainstay of the process for adoption of the Palau National Marine Sanctuary and this has continued into the project development process. This project has been specifically negotiated and designed in order to implement a law that was enacted following FPIC and IPP guidelines. Project Development itself included the formal involvement of and dialogues with the Council of Chiefs, the 16 Honourable Governors of the 16 States of Palau, including prior to and at the Project Validation Workshop. The Palau Ebiil Society was also engaged in the project development and in-country endorsement process. The Ebiil Society was founded to support the proper management of natural resources by and through indigenous peoples and using their knowledge.</p> <p>The Project itself will formally open with an Inception workshop which will also include the attendance of the Council of Chiefs and the 16 Governors as well as the many NGOs in the</p>
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**Supporting Documents**

Upload available ESS supporting documents.

Title	Module	Submitted
<b>PIMS 6418 Annex 13_SESP_02June20</b>	<b>CEO Endorsement ESS</b>	

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

The Project Results Framework is included in the Full Project Document on Page 36.

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

No Comments received as of CEO AF submission.

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).**  
(Provide detailed funding amount of the PPG activities financing status in the table below:

N/A

**ANNEX D: CALENDAR OF EXPECTED REFLOWS** (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)

**ANNEX E: Project Map(s) and Coordinates**

Please attach the geographical location of the project area, if possible.



## ANNEX F: Project Budget Table

Please attach a project budget table.