



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente
 Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



PROJECT DOCUMENT

SECTION 1: PROJECT IDENTIFICATION

1.1	Project title:	Building a Sustainable National Marine Protected Area Network – The Bahamas	
1.2	Project number:	GFL/ PMS:	
1.3	Project type:	FSP	
1.4	Trust Fund:	GEF	
1.5	Strategic objectives:		
	GEF strategic long-term objective:	Biodiversity	
	Strategic programme for GEF IV:	BD-SP1, BD-SP2	
1.6	UNEP priority:	Ecosystem Management	
1.7	Geographical scope:	Global	
1.8	Mode of execution:	External	
1.9	Project executing organization:	Bahamas Environment, Science and Technology Commission (BEST)	
1.10	Duration of project:	48 months Commencing: March 2010 Completion: February 2014	
1.11	Cost of project	US\$	%
	Cost to the GEF Trust Fund	2,200,000	22.1%
	Co-financing		
	Cash		
	Bahamas Environment, Science and Technology Commission	2,000,400	20.1%
	Department of Marine Resources	400	0.0%
	Bahamas National Trust	400	0.0%
	The Nature Conservancy	2,000,400	20.1%
	KfW	3,000,000	30.1%

<i>Sub-total</i>	7,001,600	70.3%
In-kind		
Bahamas Environment, Science and Technology (BEST) Commission	306,000	3.1%
Department of Marine Resources	204,000	2.0%
Bahamas National Trust	125,000	1.3%
The Nature Conservancy	125,000	1.3%
<i>Sub Total</i>	760,000	7.7%
TOTAL	9,961,600	100%

1.12 Project Summary

1. Key threats to the protected area system of The Bahamas include invasive species, cross-boundary issues/surrounding land, unsustainable exploitation of fishery resources, climate change and tourism and tourism-related conversion and tourism planning processes (e.g., ecologically valuable sites). The greatest deficiency in the system is related to marine protected areas with less than 1% of the country set aside in such areas. The FSP seeks to build a Sustainable National Marine Protected Area Network for The Bahamas and thus enable it to meet its commitments under the CBD PoWPA as well as other obligations under this Convention. Strengths of the project include the component to develop sustainable financing mechanisms for the BNPAS which will benefit the system into perpetuity, not just during the life of the project as well as the demonstration projects which address specific threats to MPAs and have the potential to be replicated for other PA systems globally. The project design also incorporates not only key biodiversity issues, but also climate change and the impact it will have on biodiversity and conservation.

TABLE OF CONTENTS

SECTION 1: PROJECT IDENTIFICATION	1
ACRONYMS AND ABBREVIATIONS	4
SECTION 2: BACKGROUND AND SITUATION ANALYSIS (BASELINE COURSE OF ACTION)	6
2.1 Background and context.....	6
2.2 Global significance	7
2.3 Threats, root causes and barrier analysis.....	11
2.4 Institutional, sectoral and policy context	12
2.5 Stakeholder mapping and analysis.....	15
2.6 Baseline analysis and gaps.....	17
2.7 Linkages with other GEF and non-GEF interventions	19
SECTION 3: INTERVENTION STRATEGY (ALTERNATIVE)	20
3.1 Project rationale, policy conformity and expected global environmental benefits	20
3.2 Project goal and objective	21
3.3 Project components and expected results.....	22
3.4 Intervention logic and key assumptions.....	35
3.5 Risk analysis and risk management measures	36
3.6 Consistency with national priorities or plans	37
3.7 Incremental cost reasoning	38
3.8 Sustainability	41
3.9 Replication	42
3.10 Public awareness, communications and mainstreaming strategy	42
3.11 Environmental and social safeguards.....	43
SECTION 4: INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION ARRANGEMENTS	44
SECTION 5: STAKEHOLDER PARTICIPATION	45
SECTION 6: MONITORING AND EVALUATION PLAN	45
SECTION 7: PROJECT FINANCING AND BUDGET	47
7.1 Overall project budget.....	47
7.2 Project co-financing	47
7.3 Project cost-effectiveness.....	48
APPENDICES	49
Appendix 1: Budget by project components and UNEP budget lines.....	51
Appendix 2: Co-financing by source and UNEP budget lines	52
Appendix 3: Incremental cost analysis	56
Appendix 4: Results Framework.....	63
Appendix 5: Workplan and timetable.....	67
Appendix 6: Key deliverables and benchmarks.....	68
Appendix 7: Costed M&E plan	71
Appendix 8: Summary of reporting requirements and responsibilities	75
Appendix 9: Standard Terminal Evaluation TOR.....	77
Appendix 10: Decision-making flowchart and organizational chart	94
Appendix 11: Terms of Reference.....	95
Appendix 12: Co-financing commitment letters from project partners.....	98
Appendix 13: Endorsement letters of GEF National Focal Points.....	108
Appendix 14: Draft procurement plan	109
Appendix 15 A: METT Baseline	111
Appendix 15 B: Financial Sustainability Scorecard.....	112

ACRONYMS AND ABBREVIATIONS

ACS	Association of Caribbean States
ANCAT	Andros Conservancy and Trust
AOSIS	Alliance of Small Island States
BEST Commission	Bahamas Environment, Science and Technology Commission
BNPAS	Bahamas National Protected Area System
BNT	Bahamas National Trust
BPAF	Bahamas Protected Areas Fund
BREEF	Bahamas Reef Environment Educational Foundation
BSCA	Bahamas Sportfishing and Conservation Association
Caricom	Caribbean Community
CAXP	Capacity Action Plan
CBD	Convention on Biological Diversity
CEP	Caribbean Environment Programme
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLME	Caribbean Large Marine Ecosystem
COB	College of The Bahamas
COP-7	Seventh Conference of The Parties to the Convention on Biological Diversity
CTO	Caribbean Tourism Organization
DMR	Department of Marine Resources
EAG	Early Action Grant
ECLSP	Exuma Cays Land and Sea Park
FMO	Financial Management Officer
FOE	Friends of the Environment
EOU	Evaluation and Oversight Unit
FSP	Full-Sized Project
GCRMN	Global Coral Reef Monitoring Network
GEF	Global Environment Facility
GIS	Geographic Information Systems
GLISPA	Global Island Partnership
GloBallast	International Convention for the Control and Management of Ships' Ballast Water and Sediments
GOB	Government of The Bahamas
IA	Implementing Agency
IAS	Invasive Alien Species
ICAO	International Civil Aviation Organization
IMO	International Maritime Organisation
KfW	Kreditanstalt für Wiederaufbau
MEA	Multilateral Environmental Agreement
METT	Management Effectiveness Tracking Tool
MoT	Ministry of Tourism
MPA	Marine Protected Area
NBSAP	National Biodiversity Strategy and Action Plan
NCC	National Coordinating Committee
NCSA	National Capacity Needs Self Assessment
NEA	National Executing Agency
NEMAP	National Environmental Management and Action Plan

NGO	Non-Governmental Organization
NHSA	Nature's Hope for Southern Andros
NISP	National Implementation Support Programme
NISS	National Invasive Species Strategy
NPC	National Project Coordinator
PIF	Project Identification Form
PIR	Project Implementation Review
PoP	Partners of the Project
PoWPA	Programme of Work on Protected Areas
PPG	Project Preparation Grant
PST	Project Site Team
RAPPAM	Rapid Assessment and Prioritization of Protected Area Management
Ramsar Convention	Convention on Wetlands of International Importance especially as Waterfowl Habitat
RBDF	Royal Bahamas Defense Force
RC	Reef Check
SBIMR	South Berry Islands Marine Reserve
SFP	Sustainable Finance Plan
SIDS	Small Island Developing States
SPAW	Specially Protected Areas and Wildlife Protocol under the Cartagena Convention
SSLJ	San Salvador Living Jewels
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TNC	The Nature Conservancy
TNC NCP	The Nature Conservancy Northern Caribbean Program
TM	Task Manager
UNDP	United Nations Development Program
UNCLOS	United Nations Convention on Law of the Sea
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

SECTION 2: BACKGROUND AND SITUATION ANALYSIS (BASELINE COURSE OF ACTION)

2.1 Background and context

2. The Bahamas is the largest small-island archipelago in the tropical Atlantic, similar in size and complexity to the entire Lesser Antilles. The Bahamas comprises over 700 low-lying islands and cays. The total land area of The Bahamas is approximately 1,394,000 hectares (3,444,649.02 acres). Only 30 of the islands are inhabited with a population totaling 305,655 people. The Bahamas, together with the ecologically similar Turks and Caicos Islands form the Bahamas Island Archipelago. The size, complexity, and ecological isolation of The Bahamas have contributed to significant biodiversity and the development of several unique ecosystems. The largest and easily identifiable ecosystems include, Caribbean Pine Rockland Forests, Dry Broadleaf Evergreen Forests, Island Ponds, Mangrove Forests, Blue Holes, Coastal Rock, Tidal Flats and Salt Marshes, Sea Grass Beds, Coral Reefs and the Open Ocean.
3. The Government of The Bahamas recognized early the need to establish, protect and preserve important biodiversity resources. In 1958, the first Marine Protected Area (MPA) in The Bahamas was established - the Exuma Cays Land and Sea Park. It is reputed to be the first of its kind in the world and became an exclusive no-take area in 1986. A National Creek and Wetlands Initiative was commenced in 1999. Forty creek systems countrywide were catalogued and inventoried for restoration, an important starting point for The Bahamas to manage effectively its creek and wetland systems. In 2000, the Government approved the creation of an initial five Marine Reserves in the north and central Bahamas. The wisdom of expanding such protected areas gained support and in 2002, the size of the national parks system was doubled and today includes 25 land and sea parks covering 1,094 square miles (283,344.7 hectares).
4. The Government of The Bahamas recognized the need to ensure sustainable, predictable and reliable financial support for conservation activities, and therefore, it doubled its financial subvention to The Bahamas National Trust (BNT) in 1997, doubled it again in 2006, and in 2007, increased it tenfold to \$1 million annually. Additionally, in 2008, the Government provided additional direct financial support to the BNT for the engagement of necessary core staff required to manage the parks and provided the Trust with \$1.25 Million for its annual budget.
5. In order to implement the Program of Work on Protected Areas (PoWPA) which the Government of the Commonwealth of The Bahamas endorsed at the Seventh Conference of the Parties of the Convention for Biological Diversity (COP-7) in 2004, the partner agencies of the National Implementation Support Programme (NISP) --- i.e., the Bahamas Environment, Science, and Technology (BEST) Commission, the Bahamas National Trust (BNT), Department of Marine Resources (DMR) and The Nature Conservancy Northern Caribbean Program (TNC NCP) --- have worked together to complete the following tasks related to the Bahamas national system of protected areas: Ecological Gap Analysis, Rapid Assessment and Prioritization of Protected Area Management (RAPPAM), Capacity Action Plan (CAXP) and Sustainable Finance Plan (SFP).
6. A key recommendation of the SFP was the need to establish a *Protected Areas Trust Fund* (PA Fund) as a mechanism for sustained funding for the Bahamas National Protected Area System (BNPAS). This fund was conceived as an endowment fund with the interest generated from the capital investment being utilized for protected area projects across the Commonwealth of The Bahamas.

7. The Needs Assessment for The Bahamas National Protected Area System is estimated at a total of \$13.1 million with a current financial gap of \$7.1 million. The estimated financial needs for the system over the next ten years is estimated at \$151.8 million with a financial gap of \$93.0 million if revenue is not increased through actions such as development of sustainable financing mechanisms and diversification of revenue streams.
8. The Bahamas 2020 Declaration was formally declared in Bonn, Germany at the Ninth Conference of the Parties in May 2008. The 2020 Declaration served as the Government of The Bahamas' confirmation of its intent to preserve the country's marine and terrestrial environments and to meet the targets established by the UN Convention on Biological Diversity Programme of Work on Protected Areas for 2010 and 2012. It also stated its intent to exceed CBD goals by effectively conserving at least 20 per cent of the near-shore marine resources across The Bahamas by 2020. The declaration was made as a part of the official launch of the Caribbean Challenge by the Right Honourable Hubert A. Ingraham, Prime Minister of the Commonwealth of The Bahamas.
9. The Caribbean Challenge represents a regional initiative to sustainably finance protected areas and ensure these areas are effectively managed to enable them to function in the important role of providing means to achieve important goals of sustainable fisheries and ecosystem-based adaptation to climate change. The Bahamas has led the Caribbean Challenge initiative which to date has involved the commitment of 7 other countries in the region – Grenada, Jamaica, the Dominican Republic, St. Vincent and the Grenadines, St. Lucia, St. Kitts and Nevis, and Antigua and Barbuda.
10. Most Caribbean countries have limited resources to direct towards the management of their national systems of protected area, resulting in protected areas with little to no active management. The Western Atlantic Ocean contains one of the largest groupings of Small Islands Developing States (SIDS) in the world. Throughout the region, which is one of the most densely populated globally, the majority of residents inhabit the coastal zone and depend heavily on marine resources for livelihoods.
11. The existing marine protected areas (MPAs) in The Bahamas comprise approximately 154,011 hectares spread over ten national parks and three marine reserves. They include coastal and open ocean sites inclusive of seabird nesting sites, turtle nesting beaches, coastal mangroves, seagrass beds, coral reefs and spawning aggregation sites. Species protected as a result of these areas include, but are not limited to, the Queen conch (*Strombus gigas*), Nassau grouper (*Epinephelus striatus*) and West Indian flamingo (*Phoenicopterus ruber*) and endemic Rock iguanas (*Cyclura* spp.). Management effectiveness for these areas is not what it should be for a number of reasons including the challenge of management and enforcement in an archipelago spread over a very large marine area, site access, lack of sufficient mechanisms for sustainable funding, lack of staff in adequate numbers and with required technical skills. Monitoring of these sites has occurred over the years, but not on a regular or consistent basis to track trends, such as impacts of threats or success of mechanisms implemented to address threats.
12. Key threats to the protected area system of The Bahamas include invasive species, cross-boundary issues/surrounding land, unsustainable exploitation of fishery resources, climate change and tourism and tourism-related conversion and tourism planning processes (e.g., ecologically valuable sites).

2.2 Global significance

13. The Commonwealth of The Bahamas is a part of the Caribbean Islands hotspot. It is a unique sub-tropical archipelagic nation with a total area of 100,000 sq. mi. (325,000 sq. km.) and a total land area of 5,380 sq. mi. (13,930 sq. km.). It is located some 60 miles (80 km) east of the state of Florida of the United States of America at its northwestern point and some 60 miles (80 km) north of Cuba at its southeastern extent. As an archipelago, the country has 700 islands and cays, of which 22 are inhabited, and 2,387 rocks. The largest island is Andros which is 2,300 sq. mi. (6,000 sq. km).
14. The islands of The Bahamas are of low relief, usually long and narrow, each rising from the shoreline to a low ridge. The highest point in The Bahamas, Mount Alvernia on Cat Island, is about 206 feet (63 metres) above sea level. The islands are composed mainly of calcareous sand, originally derived from marine shells, which were piled up into low ridges and rounded hills by wind action at a time when the whole shelf stood above the sea. Some rocks are still loose and sandy but others have been consolidated by age and weathered in upland areas into typical karst scenery. Lying beyond these ridges are mainly lagoons and swamps.
15. The northern group of islands in The Bahamas are Andros, Abaco, Grand Bahama, and New Providence. These islands show similarities in their environmental characteristics and are dominated by a self-sustaining forest of Caribbean pine. Orchids, especially bromeliads, are found in isolated areas. The southeast islands include Eleuthera, Long Island, Cat Island, Crooked Island, Acklins Island, San Salvador, Mayaguana, Exuma, Ragged Island, Inagua, and Rum Cay. These islands have similar environments and have been generally described as the coppice islands. The general vegetation both past and present has been primarily hardwoods which are now very scarce.
16. In spite of its relatively small land area, The Bahamas has many terrestrial ecosystems and, with its large expanse of ocean, a high diversity of marine ecosystems. Important, and easily-recognized, Bahamian ecosystems include — but are not limited to — the following¹:
- Pine woodland (forest) – northern islands
 - Coppice – central and southern islands
 - Desert – the annual rainfall for the southerly Hogsty Reef is sufficiently small for its two small cays to qualify as desert
 - Wetlands – throughout the islands; may be allocated amongst five categories: mangrove swamps and marshes, beach vegetation, swashes, pine forests/barrens, broad-leaf coppice. Mangroves are dominated by one or more species of mangrove (*Avicennia*, *Laguncularia* and *Rhizophora*).
 - Seagrass beds – dominated by turtle grass (*Thalassia testudinum*)
 - Coral Reefs – of great significance in terms of Bahamian biodiversity
 - Other shallow water marine habitats – rock and unvegetated sediments
 - Caves, sinkholes and blue holes
17. The Lucayan Caverns on Grand Bahama, reputedly one of the largest submarine cavern systems in the world, are known to possess a number of endemic species, including *Gambusia hubbsi*, a species of mosquitofish found only in The Bahamas. These caverns formed in the last Ice Age are found on all the major islands. They represent the largest unexplored and uncatalogued ecosystem in The Bahamas, uniquely linked to the confluence of the fresh, brackish and saline waters. The lakes of San Salvador contain four species of sympatric pupfish (*Cyprinodon*), a situation known to exist in only one other place in the world.

¹ Bahamas Biodiversity Country Study

18. Insularity and an extensive shelf with productive coral reefs and other habitats, plus a large area of coastal wetlands, especially mangrove forests, contribute to the abundance and diversity of fish. In this regard, The Bahamas has greater biodiversity abundance and diversity than the entire insular Caribbean.
19. Correll and Correll (1982) report that nearly nine percent (121 taxa) of plant species found in The Bahamas are endemic. Over 1350 species of flowering plants and ferns have been described, representing approximately 660 genera and 144 families.
20. A species number listing for The Bahamas² is given in Table 1 below.

Table 1: Species number listing for The Bahamas

Taxonomic Group		Number
Higher Plants	Total known species (number) 1992-2002	1111
	Number of threatened species 2008	5
Mammals	Total known species (number) 1992-2002	12
	Number of threatened species 2008	7
Breeding Birds	Total known species (number) 1992-2002	57
	Number of threatened species 2008	5
Reptiles	Total known species (number) 1992-200	53
	Number of threatened species 2008	6
Amphibians	Total known species (number) 1992-2003	5
	Number of threatened species 2008	0
Fish	Total known species (number) 1992-2003	248
	Number of threatened species 2008	20

² <http://earthtrends/wri.org/text/biodiversity-protected/country-profile-12.html> and www.iucnredlist.org/documents/2008RL_stats_table_5_v1223294385.pdf

21. Table 2 below outlines the endangered species as defined by CITES that are found in The Bahamas.

Table 2: Endangered Species found in The Bahamas (CITES)

Mammals		Molluscs	
Humpback whale	<i>Megaptera novangliae</i>	Queen Conch	<i>Strombus gigas</i>
Northern Right whale	<i>Eubalaena glacialis</i>	Corals	
West Indian Manatee	<i>Trichechus manatus</i>	Black Corals	<i>Anthipatharia spp.</i>
Birds		Stony Corals	<i>Scleractinia spp.</i>
West Indian Flamingo	<i>Phoenicopterus ruber ruber</i>	Branch Corals	<i>Acropora spp.</i>
West Indian Tree Duck	<i>Dendrocygna arborea</i>	Brain Coral	<i>Platygyra spp.</i>
Sharp-shinned Hawk	<i>Accipter striatus</i>	Brain Coral	<i>Favia spp.</i>
Red-tailed Hawk	<i>Buteo jamaicensis</i>	Brain Root Coral	<i>Labophyllia spp.</i>
Marsh Hawk	<i>Circus cyaneus</i>	Birds Nest Coral	<i>Seriatopora spp.</i>
Osprey	<i>Pandion haliaetus</i>	Blue Coral	<i>Heliopora spp.</i>
Peregrine Falcon	<i>Falco peregrinus</i>	Brain Trumpet Coral	<i>Euphyllia spp.</i>
Merlin	<i>Falco columbarius</i>	Cactus Corals	<i>Pavona spp.</i>
American Kestrel	<i>Falco sparverius</i>	Cauliflower Corals	<i>Stylophora spp.</i>
Bahama Parrot	<i>Amazona leucocephala bahamensis</i>	Lettuce Corals	<i>Pectinia spp.</i>
Barn Owl	<i>Tyto alba</i>	Merulina Corals	<i>Merulina spp.</i>
Burrowing Owl	<i>Speotyto cunicularia</i>	Yellow Five Corals	<i>Milleporidae spp.</i>
Cuban Emerald Hummingbird	<i>Chlorostilbon ricordii</i>	Organpipe Corals	<i>Tubiparidae spp.</i>
Bahama Woodstar Hummingbird	<i>Calliphlox evelynae</i>	Brown Stem Cluster Corals	<i>Pocillopora spp.</i>
Ruby-throated Hummingbird	<i>Archilochus colubris</i>	Feather Corals	<i>Polyphyllia spp.</i>
Rufous Hummingbird	<i>Selasphorus rufus</i>	Plants	
Reptiles		Cacti	<i>Cactaceae spp.</i>
Bahamian Boa Constrictor	<i>Epicrates spp.</i>	Aloes	<i>Aloe spp.</i>
Pygmy Boa Constrictor	<i>Trophidophis canus</i>	Cycads	<i>Cycadaceae spp.</i>
Bahamian Rock Iguana	<i>Cyclura spp.</i>	Euphorbias	<i>Euphorbia spp.</i>
Cat Island & Eleuthera Island Terrapin	<i>Trachemys terrapen</i>	Orchids	<i>Orchidaceae spp.</i>
Inagua Terrapin	<i>Trachemys stejnegeri malonei</i>	Zamia	<i>Zamiaceae spp.</i>
American Crocodile	<i>Crocodylas acutus</i>	Lignum vitae	<i>Guaiacum sanctum</i>
Marine Turtles		Lignum vitae	<i>Guaiacum officinale</i>
Leatherback Turtle	<i>Dermochelys coriacea</i>	Mahogany	<i>Swietenia mahagoni</i>
Loggerhead Turtle	<i>Caretta caretta</i>		
Hawksbill Turtle	<i>Eretmochelys imbricata</i>		
Green Turtle	<i>Chelonia mydas</i>		

2.3 Threats, root causes and barrier analysis

22. Threats to marine ecosystems include:
1. Natural – biological invasions, disease and natural sedimentation
 2. Human – overfishing, coastal development and pollution
 3. Climate – storms, sea level rise, excessive rainfall as well as bleaching caused by increased sea water temperatures and global climate change
23. The most pervasive and destructive pressures to protected areas in The Bahamas over the past five years have been increasing numbers of invasive species, the adverse effects of climate change, modification to natural systems, human intrusions and development. The most pervasive and destructive threats projected over the next five years are anticipated to be increased impacts of climate change, invasive species, development, and tourism. The protected areas facing the most threats and pressures are North Bimini Marine Reserve, South Berry Islands Marine Reserve, Exuma Marine Reserve – Jewfish, Lucayan National Park, Inagua National Park and Abaco National Park. Relatively secure and unthreatened protected areas include Moriah Harbour National Park, Exuma Cays Land and Sea Park, Andros Reef National Park, Andros Crab National Park, Retreat Gardens, Harrold and Wilson Pond National Park, Primeval Forest and Bonefish Pond National Park.
24. Invasive species have been identified as a key threat to biodiversity globally. In The Bahamas, invasive species that pose threats to native biodiversity were identified in the National Invasive Species Strategy; these species include Australian Pine (*Casuarina equisetifolia*) and Shiny Cowbird (*Molothrus bonariensis*). Invasive species are present in all, but one of the protected areas, and is considered a high threat and/or pressure in 17 of these. In the past two years, a significant threat to marine species has entered the Bahamian waters in the form of the Lionfish (*Pterois volitans*). The numbers of lionfish have increased from 2, initially sited in 2006, to tens of thousands throughout the Bahamian archipelago in 2009. It is likely to have an impact not only on native biodiversity, but also on fisheries. Researchers have confirmed that these fish are feeding on commercially important juvenile and adult fish species such as the Nassau grouper (*Epinephelus striatus*) and it is feared that they are impacting other species as well as coral reefs through their predation of herbivores that keep the reefs free of algae. This project will address control of the lionfish within the boundaries of marine protected areas, thus complimenting the work that will be undertaken on the lionfish nationally through activities such as the GEF regional invasive species project and initiatives by the Department of Marine Resources.
25. Evidence points to the fact the Lionfish has been introduced to The Bahamas by the spread of the species through international water currents and it is projected to spread throughout the Greater and Lesser Antilles. Sitings have already been made in the Dominican Republic, Cuba and Puerto Rico. It is envisaged that action taken to maintain healthy coral ecosystems by control of the Lionfish in The Bahamas will help to reduce the spread of the species in the Caribbean. At the same time, a multi-state cooperative action will be needed to address the movement of the Lionfish through International Waters.
26. The Bahamas have a well-developed commercial and export fishery plus a recreational/local consumption fishery. The most valuable catches are lobster, conch, grouper, snapper, and jacks. According to WRI's "Reefs At Risk", the populations of grouper and conch show clear evidence of overfishing, and action is essential to prevent their collapse.

27. Marine biodiversity in The Bahamas is likely threatened by tourism activities at the same scale as is estimated for the wider Caribbean region . In the Caribbean, only 1/4 of hotel and resort wastewater treatment plants are in good operating condition. Daily water consumption per tourist in the Caribbean is an estimated 300 liters/day, which is about 3 times the per capita demand for domestic consumers. Localized stresses on the corals are sewage runoff and tourism impacts such as diver damage and destruction of coastal habitats for hotel and marina development. In 2008, 4.6 million tourists visited The Bahamas. Annually, tourism in The Bahamas is estimated to account for 48% of GDP. Close to half of all diving tourism in the Caribbean Region occurs in MPAs.
28. As a Small Island Developing State, The Bahamas has a low relief relative to mean sea level. It is threatened by the adverse impacts of climate change, including sea level rise, increasing sea surface temperatures, inundation, storm surges, the increase in the intensity and frequency of tropical processes, climate variability and changing weather patterns. Climate-related changes in habitat include coral bleaching as a result of increasing sea surface temperatures, rising sea levels, and coastal erosion. Impacts on the marine environment specifically, will be felt across ecosystems like coral reefs, seagrass beds and mangroves due to changes in sea level. With changes to these ecosystems, we may also see changes in populations of marine organisms. This project seeks to model the impacts of climate change on marine habitat to determine which sites are at highest risk; once identified, adaptation measures will be designed and implemented including mangrove restoration at sites within the Exuma Cays Land and Sea Park.
29. Protected areas do not exist in a vacuum. They can be negatively impacted by activities occurring in the areas surrounding them. Activities such as pollution and excavation can have cross-boundary impacts with protected areas. The most important types of development impacting protected areas in The Bahamas are commercial and residential development (as opposed to industrial development). In several cases, large hotel resorts are located or planned directly on the boundaries of the protected area. Furthermore, several protected areas, including Exuma Cays Land and Sea Park, Bonefish Pond National Park, South Berry Islands Marine Reserve, North Bimini Marine Reserve and Exuma Marine Reserve – Jewfish are facing moderate to high threats and/or pressures from residential development. Tourism was estimated as a moderate or high threat in 8 protected areas: Lucayan National Park, Exuma Marine Reserve - Jewfish, Exuma Cays Land and Sea Park, South Berry Islands Marine Reserve, Bonefish Pond National Park, Andros West side National Park, Andros Reef National Park and Andros Crab National Park. Negative impacts of tourism on conservation areas are often linked to poor planning. This project will demonstrate at one MPA site how ecologically sound planning can be employed and alternative tourism models developed adjacent to marine protected areas without negatively impacting these areas.
30. These replicable demonstration projects, with a view towards scaling up successes through the Protected Area Fund, are a key component of this project as stakeholders involved recognize that management effectiveness of these MPAs will not be improved without some key, targeted and replicable actions to address the anticipated threats to these areas.

2.4 Institutional, sectoral and policy context

Multilateral Environmental Agreements

31. The Bahamas is signatory to several multilateral environmental agreements (MEAs). These are outlined in Table 3 below.

Table 3: MEAs that The Bahamas is signatory to

United Nations Programmes and Funds	
Convention on Biological Diversity (CBD)	Party
Cartagena Protocol on Biosafety	Party
United Nations Framework Convention on Climate Change (UNFCCC)	Party
Convention on International Trade in Endangered Species of Flora and Fauna (CITES)	Party
UN Specialised Agencies and Related Organizations	
Food and Agriculture Organisation (FAO): International Plant Protection Convention	Party
FAO Code of Conduct for Responsible Fisheries	Member
International Maritime Organisation (IMO): United Nations Convention on Law of the Sea (UNCLOS)	Party
UN Fish Stocks Agreement (Convention and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks)	Party
IMO International Convention for the Control and Mangement of Ships' Ballast Water and Sediments (GloBallast)	Project partner
World Health Organization (WHO): International Health Regulations	Party
International Civil Aviation Organization (ICAO): Resolution A33-18 Preventing the Introduction of Invasive Alien Species	Party
Ramsar Convention (Convention on Wetlands of International Importance especially as Waterfowl Habitat)	Party
World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)	WTO Observer
Other Relevant Memberships	
Association of Caribbean States (ACS)	Member
Alliance of Small Island States (AOSIS)	Member
Caribbean Community (CARICOM)	Member
Caribbean Tourism Organization (CTO)	Member

32. Although the goals of the CBD directly link to the maintenance of healthy global biodiversity, the other two conventions are very important in maintaining and/or improving the rapid decline of biodiversity throughout the country and the world. A synergy of these three conventions provides a mechanism of achieving their goals collectively. Though The Bahamas has recently announced its commitment to meeting and exceeding the goals of the CBD Programme of Work on Protected Areas (PoWPA) at the Ninth Conference of the Parties to the CBD in Bonn, Germany in May 2008 and its commitment to the Caribbean Challenge, several past initiatives have laid the foundation to enable the country to meet these goals.
33. Through this project, it is envisioned that The Bahamas, while not yet a signatory will advance towards the signature and ratification of the Convention and specifically its SPAW Protocol. The Convention for the Protection and Development of the Marine Environment in the Wider Caribbean is the comprehensive, umbrella agreement for the protection and development of the marine environment in the region. This regional environmental convention provides the only legal framework for cooperative regional and national actions in the WCR. The Convention is supplemented by the Oil Spills Protocol, the Protocol Concerning Pollution from Land-Based Sources and Activities, and the Biodiversity Protocol Concerning Specially Protected Areas and Wildlife (SPAW) in the Wider Caribbean Region. Through this project, it

is envisioned that The Bahamas, while not yet signatory will advance towards ratification of the Convention and specifically its SPAW Protocol

National Policies and Plans

34. The National Biodiversity Strategy and Action Plan (NBSAP) was completed in 1999. The NBSAP outlined the long-term goal of The Bahamas to conserve biodiversity and to create a sustainable Bahamian society within a sustainable Bahamian environment. The overall objective of the NBSAP was to provide an overview of the role that biodiversity plays in the social and economic well-being of the country and to recommend the steps that need to be taken to ensure that biodiversity is conserved as economic development continues. Nine actions were developed and designed specifically to conserve the biodiversity of the Bahamas. Of the nine actions, seven have been completed or are in process; these include:
 - i. Formulation of the BEST Commission as an environmental advisory body to the GOB;
 - ii. Establishment of a National Biodiversity Task Force which is now called the National Biodiversity Committee;
 - iii. Completion of a National Consultative Process in order to develop the NBSAP;
 - iv. Planning for a system of national parks and protected areas;
 - v. Development of monitoring and evaluation methodologies;
 - vi. Protection and rehabilitation of threatened or degraded ecosystems and of threatened species; and
 - vii. Preparation of bioregional guidelines, position papers and policy statements..

35. Two outstanding actions for implementation under the NBSAP are implementation of the recommendations of the biodiversity data management project and improvement of the Botanical Gardens to enhance its capacity for *ex situ* conservation. Since development of the NBSAP, the country now faces new biodiversity issues including:
 - i. Invasive alien species management
 - ii. Biosafety/Biosecurity
 - iii. Mapping of biological resources and important ecosystems
 - iv. Protection of traditional knowledge
 - v. Adverse impacts of climate change on biodiversity

36. The Bahamas National Invasive Species Strategy (NISS) was developed in 2003 and involved an assessment of the mechanisms existing in The Bahamas to address the invasive species issue while enabling increased public awareness and involvement in the process. There were numerous stakeholder consultations throughout the NISS development process. Key strategic actions recommended by the NISS include development of an IAS database, training in IAS identification and handling for border control officers, legislative reform to enable specific actions on IAS, monitoring of key sites and priority species for eradication and control. The NISS also includes the National Invasive Species Policy and Codes of Conduct for the Government and other key sectors of Bahamian society, such as farms, pet stores, zoos and aquaria.

37. The National Climate Change Policy outlines the intent of The Bahamas Government to take all necessary and feasible actions at the national, regional and international levels to meet the goals of the UNFCCC. The focus of the Government's national actions will be on adapting to global climate change due to the country's minimal contribution to global carbon emissions and its vulnerability to the impacts of climate change.

38. The goal of the National Wetlands Policy is to conserve, restore and manage wetlands wisely in conjunction with sustainable development practices. The policy outlines strategies for managing the wetlands, education, awareness and training, ensuring sound scientific basis for management, building partnerships and international actions.
39. The National Environmental Management and Action Plan (NEMAP) was developed through the National Capacity Needs Self Assessment (NCSA) project. The NCSA project involved a review of The Bahamas' global environmental commitments and its capacity to meet these commitments, specifically related to biodiversity, climate change, land degradation and wetlands. The NEMAP served as a tool for the GOB to identify gaps and deficiencies in meeting its international environmental commitments and in addressing other environmental management issues in the country. It also defines appropriate actions and provides a baseline to evaluate the effectiveness and efficiency of its capacity development efforts to address these gaps and deficiencies.

2.5 Stakeholder mapping and analysis

40. Stakeholder analysis for the project was completed and is represented below in Table 4.

Table 4: Stakeholder Analysis

WHO	WHY			
	Interest	Influence	Expertise	Affected
Public Sector				
Bahamas Environment, Science & Technology (BEST) Commission	3	3	3	3
College of The Bahamas	2	2	3	2
Department of Lands and Surveys	1	3	3	2
Department of Marine Resources	3	3	3	3
Department of Meteorology	2	2	3	2
Ministry of the Environment	3	3	2	3
Ministry of Finance	2	3	3	3
Ministry of Tourism	2	3	2	3
National Biodiversity Committee	3	2	3	3
National Climate Change Committee	2	2	3	3

National Implementation Support Programme (NISP)	3	2	3	3
Office of the Prime Minister	3	3	2	3
Port Department	1	2	1	2
Royal Bahamas Defence Force	2	3	2	3
Civic Groups				
Andros Conservancy and Trust (ANCAT)	2	1	1	3
Bahamas National Trust (BNT)	3	3	3	3
Bahamas Reef Environment Educational Foundation (BREEF)	3	2	2	3
Bahamas Sportfishing and Conservation Association (BSCA)	1	1	1	3
Friends of the Environment (FOE)	3	2	2	3
Nature's Hope for Southern Andros (NHSA)	2	1	1	3
San Salvador Living Jewels (SSLJ)	1	1	1	3
The Nature Conservancy (TNC)	3	3	3	3
Private Sector				
Dive operators	2	3	2	3
Fishermen	1	3	2	3
Hotel operators	1	3	1	2
Investment firms	1	3	3	1
Legal firms	1	3	2	1
Marina operators	1	3	1	1
Scuba divers	2	3	2	3
Tour operators	2	3	2	3

Scale: 1 –Low; 2 – Medium; 3 – High

41. Primary stakeholders based on the ranking above include:
- Bahamas Environment, Science and Technology (BEST) Commission – The environmental arm of the Ministry of the Environment, this agency focuses on ‘green’ environmental issues like biodiversity, climate change and land degradation. It represents the Government of The Bahamas at negotiations of multilateral environmental agreements. They also provide expert advice to the Government on environmental policy, legislation and environmental impacts of development projects in The Bahamas.
 - Bahamas National Trust (BNT) – Established by law in 1959, the Bahamas National Trust is a non-Governmental organization mandated to manage the National Parks System in The Bahamas and hold these lands in trust for the Bahamian people. They currently manage 25 national parks across the Bahamian archipelago.
 - Department of Marine Resources (DMR) – A division of the Ministry of Agriculture and Marine Resources, the Department of Marine Resources is charged with management of the marine resources of the country. This includes management of the Marine Reserve Network that has recently been established in The Bahamas with the formal declaration of boundaries for three reserves. The network is projected to have as many as thirty reserves once fully established.
 - The Nature Conservancy (TNC) – TNC is a non-profit conservation organization with offices throughout the world. Its Northern Caribbean Office in The Bahamas is a key NISP partner. The Conservancy has made significant financial and technical contributions to the Bahamas National Protected Area System since establishment of its office in The Bahamas in 2004.

These agencies form the National Implementation Support Programme that facilitates implementation of the Programme of Work on Protected Areas under the Convention on Biological Diversity. These primary stakeholders will form the National Coordinating Committee for this Full-Sized Project.

42. All stakeholders listed above will be engaged in the FSP at some level. Key stakeholders to be involved in regularly through execution of the project are:
- Department of Lands and Surveys
 - Ministry of the Environment
 - Ministry of Finance
 - Ministry of Tourism
 - National Biodiversity Committee
 - National Climate Change Committee
 - Office of the Prime Minister
 - Royal Bahamas Defence Force
 - Bahamas Reef Environment Educational Foundation
 - Dive operators
 - Fishermen
 - Scuba divers
 - Tour operators

2.6 Baseline analysis and gaps

43. The PPG phase of the project enabled completion of an evaluation of the management effectiveness of protected areas in The Bahamas. This was done through development of a tool

that integrated two methodologies - Rapid Assessment and Prioritization of Protected Areas Management (RAPAM) and Management Effectiveness Tracking Tool (METT). Major findings of the assessment were as follows:

- i. **Context** – the most important vulnerability factors across the entire protected area system are high accessibility, low law enforcement, difficulty in monitoring, and the relatively high economic value of the protected area resources. The protected areas that face the most number of vulnerability factors include Andros Crab Replenishment Area, Bonefish Pond National Park, Exuma Cays Land and Sea Park and Andros Northern & Southern Marine Parks. Integration of protected areas within the broader landscape, seascape and natural resource policies is seen as a major weakness across the entire system.
- ii. **Threats** – The most pervasive and destructive pressures over the past five years have been invasive alien species, adverse impacts of climate change, modification of natural systems, human intrusions and development. The most pervasive and destructive threats over the next five years are anticipated to be climate change, invasive alien species, development, and tourism. The protected areas facing the most threats and pressures are North Bimini Marine Reserve, South Berry Islands Marine Reserve, Exuma Marine Reserve – Jewfish, Lucayan National Park, Inagua National Park and Abaco National Park. Relatively secure and unthreatened protected areas include Moriah Harbour Cay National Park, Exuma Cays Land and Sea Park, Andros Northern & Southern Marine Parks, Andros Crab Replenishment Area, Rand Nature Centre, and the New Providence protected areas.
- iii. **Management effectiveness issues** – Specific management strengths across the system include decision making and information/communication, while major weaknesses involve staffing and management planning. Other specific weaknesses include zoning, transportation infrastructure, and business planning. Exuma Cays Land and Sea Park, Union Creek Reserve, Rand Nature Centre and Lucayan National Park, for example, are especially well managed, while Walker’s Cay National Park, Black Sound Cay Reserve, Moriah Harbour Cay National Park, Little Inagua National Park, Andros Blue Holes National Park, Primeval Forest National Park, Tilloo Cay Reserve, Conception Island National Park and Great Hope House and Marine Farm can essentially be considered ‘paper parks’.
- iv. **System-wide policy environment** – Major issues for the national protected area system included 1) low cooperation with relevant agencies; 2) the PA budgeting system is not based on the PA needs; 3) urban growth centres are not adhered to; 4) resource use policies are incompatible with PA objectives; 5) environmental goals are not incorporated into development sectors; 6) ineffective legal and judicial system for enforcing laws; 7) societal laws are incompatible with PA objectives; 8) national training programs for PA staff are insufficient; 9) the protected area system is inadequately represented; and 10) the PA network configuration does not optimize biodiversity conservation.
- v. **Next steps** – Major next steps to improve the system include development of management plans for 7 PAs; development of sustainable finance/business plans for 8 PAs; boundary work for 8 PAs (either mapping or expansion); development of staff needs assessment/plan for 6 PAs; development of research/monitoring programs for 6 PAs; and improved infrastructure for 7 PAs.

2.7 Linkages with other GEF and non-GEF interventions

44. As part of the country's efforts to implement the CBD PoWPA, a National Implementation Strategy Partnership (NISP) agreement has been put in place. Signatories to the NISP agreement are The Bahamas Environment, Science and Technology (BEST) Commission, the Department of Marine Resources, The Bahamas National Trust and The Nature Conservancy. The NISP Partners have collaborated since initiation of the agreement in 2004 to complete an Ecological Gap Assessment of the Bahamian archipelago, both terrestrial and marine habitats, a Capacity Plan, Sustainable Finance Plans for the national PA system and the national parks system, and a Master Plan for the national PA system. The NISP Partnership has resulted in an Early Action Grant from The Nature Conservancy to The Bahamas to develop the various planning aspects of the Convention on Biological Diversity PoWPA.
45. The Bahamas was also recently awarded a grant of US\$150,000 under the GEF/UNDP Supporting Country Action on the CBD Programme of Work on Protected Areas Project for implementation activities, including national level assessment of contributions of PAs to country's economy and culture, integration of economic valuation and natural resource accounting tools into PA national planning processes, development and implementation of a long-term monitoring system for PoWPA, development and implementation of capacity building program for management of the PA system, and development of methods, standards, criteria and indicators for evaluating effectiveness of PA management and governance.
46. Both of these grants are assisting The Bahamas in establishing the enabling environment for the implementation of this project in development of baseline data and plans that will guide implementation of the PoWPA. The Master Plan for the National Protected Area System clearly outlines national activities that are to be completed over the next ten years; these activities align with the goals and activities for the PoWPA. In comparing the NISP and UNDP Early Action Grants projects with this project, one sees how they enable implementation of the PoWPA by addressing different, yet complementary activities, particularly in the area of capacity assessment and building. These projects coupled with other ongoing and planned national activities will lead to successful implementation of the PoWPA by The Bahamas. All activities related to PoWPA implementation nationally are being guided by the NISP Partner agencies who are working together to ensure projects are complementary and duplication of effort is avoided. These agencies have also worked together in design of all projects to date that assist in PoWPA implementation and are committed to continuing to do so through their Memorandum of Understanding. PoWPA efforts do not include capacity assessment and building to address broader threats to marine protected areas, nor the area of sustainable finance. As such the proposed project's activities are well placed to build on and fully complement PoWPA efforts.
47. The project is closely aligned with the Caribbean Challenge, an initiative aimed at being an unprecedented commitment by Caribbean governments, alongside with bilateral, multilateral, international and local non-governmental organizations to build political support and financial sustainability for protected areas and conservation in the Caribbean. The Bahamas Government officially launched the Caribbean Challenge at the Ninth Conference of the Parties to the Convention on Biological Diversity in Bonn, Germany on May 27th, 2008. In launching the Bahamas Government also announced its commitment to the Challenge and implementation of the Programme of Work on Protected Areas through its 2020 Declaration.

48. Through support provided by the Italian government to the Caribbean Challenge, this project together with other GEF supported Caribbean region Marine Protected Area projects (Dominican Republic, Jamaica and a Regional project in the OECS countries) will benefit from a Regional Steering Committee mechanism. Furthermore, the Italian support will also be used to provide cross learning opportunities with other GLISPA (and GEF supported) initiatives in the Caribbean and other regions.
49. The project is also in accordance with the Global Island Partnership (GLISPA). Launched in March 2006, GLISPA aims to build leadership and partnerships committed to actively support implementation of the Island Biodiversity Programme of Work under the Convention for Biological Diversity (CBD) and other related global policies. Bahamas is a member of GLISPA. Other related initiatives in the region include the UNDP/GEF Caribbean Large Marine Ecosystem (CLME) project, primarily to support the reef fish and biodiversity demonstration projects in Jamaica, the Dominican Republic and Haiti. The Reef fisheries and biodiversity demonstration projects are being executed by UNEP's Caribbean Environment Programme (CEP). The Bahamas and UNEP are members of the CLME Steering Committee and UNEP further participates in the Partners of the Project (PoP) Group. A CLME lobster demonstration project will be implemented in The Bahamas and cross fertilize the proposed project. The UNEP/CABI led, GEF supported regional invasive species project Bahamas component (also executed by BEST) will be closely aligned and coordinated with the proposed project.
50. The GEF supported regional invasive species project Bahamas component (also executed by BEST) will be closely coordinated with the proposed project, particularly as regards the lessons learned from the lionfish control and eradication pilot project. As both projects are under design at the current time, BEST will establish a mechanism whereby the results of the lionfish control pilot will be disseminated to the participating partners in the regional project and thus increase cost-effectiveness and enhance impact of the investment in IAS control under the MPA project.
51. The project team will draw from coordination experiences on environmental trust funds documented in: "The IPG Handbook on Environmental Funds", "Issues and Options in the Design of GEF Supported Trust Funds for Biodiversity Conservation", the "Rapid Review of Conservation Trust Funds" (Conservation Finance Alliance, May 2008) as well as evaluations and lessons learned of Trust Funds in the region (Meso American Barrier Reef, Belize PACT and Jamaica).

SECTION 3: INTERVENTION STRATEGY (ALTERNATIVE)

3.1 Project rationale, policy conformity and expected global environmental benefits

52. Much work has been done to develop and expand the Bahamas National Protected Area System (BNPAS). Greatest successes have been achieved with terrestrial protected areas with The Bahamas already achieving the 2010 conservation goal of 10% set by the Programme of Work on Protected Areas. The greatest deficiency in the system is related to marine protected areas with less than 1% of the country set aside in such areas. The FSP seeks to build a Sustainable National Marine Protected Area Network for The Bahamas and thus enable it to

meet its commitments under the CBD PoWPA as well as other obligations under this Convention. Strengths of the project include the component to develop sustainable financing mechanisms for the BNPAS which will benefit the system into perpetuity, not just during the life of the project as well as the demonstration projects which address specific threats to MPAs and have the potential to be replicated for other PA systems globally. The project design also incorporates not only key biodiversity issues, but also climate change and the impact it will have on biodiversity and natural resource conservation.

53. The project will primarily address the Biological Diversity Focal Area Strategy, and specifically Long-term Objective 1: To catalyze sustainability of PA systems. Within this objective the focus will be on advancing objectives and priorities within Strategic Program 1 (Sustainable financing of PA systems at the national level) and Strategic Program 2 (Increasing representation of effectively managed marine PA areas in PA Systems). The Project seeks to increase revenue of protected area networks at the national level through establishing a PA trust fund and other sustainable finance mechanisms that will support management of MPAs. Increasing representation of effectively managed MPAs into the national PA system will also take place through improving management effectiveness of existing MPAs by an average of 50 percent and increasing the overall coverage of MPAs within the national network.
54. The project will also address Biodiversity Long-term Objective 2: To mainstream biodiversity in production landscapes/seascapes and sectors with a focus on Strategic Program 5 (Fostering markets for biodiversity goods and services) through demonstration project activities related to sustainable tourism including development of a model for the selected MPA and developments adjacent to it.
55. Adherence to these strategic objectives will also assist in implementing some of the Millennium Development Goals 7(a) and 7(b), particularly those related to environmental sustainability and poverty reduction, while meeting the priorities identified by the COP of the CBD and the Programmes of Work on Protected Areas and Marine and Coastal Biodiversity. Poverty reduction will be achieved through the conservation of marine resources used by local communities as a primary source of protein intake and the sale of fisheries resources.
56. The project also addresses the Climate Change Focal Area Strategy, Long-term Objective 8: To support pilot and demonstration projects for adaptation to climate change through the demonstration project on incorporating climate change and mangrove restoration into conservation planning.
57. The project also has relevance to the International Waters Strategic Program 1 on restoring and sustaining of coastal and marine fish stocks and associated biological diversity through the demonstration projects' activities on lionfish, mangrove restoration and sustainable tourism.

3.2 Project goal and objective

58. The primary goal of the project is to conserve globally important marine habitat and species within The Bahamas as well as those species of the wider Caribbean that rely on The Bahamas for nesting, breeding, feeding and migration.

59. The project objective is to expand protected area coverage of globally significant marine biodiversity and increase the management effectiveness of the national marine protected area network across the Bahamian archipelago.

3.3 Project components and expected results

60. Expected end of project targets together with indicators are detailed in Appendix 4 (Results Framework). The proposed project will address shortfalls in financial needs, gaps in MPA coverage and representation together with threats to the MPA system through the following components.

61. **Component 1.** Creation of sustainable funding mechanism for the national protected area system. [*GEF funding - \$500,000; Cofinancing - \$7,052,150*]

Supporting activities will include: Advanced detailing of legal and administrative structure of Bahamas Protected Area Fund (and endorsement by the Government of The Bahamas); Implementation of an Asset Management Policy and Fundraising Strategy; Development and implementation and 5-Year Business Plan; Development of complementary sources of conservation finance; and Production of an Operational Manual outlining the legislative, financial and administrative structure of the Protected Area Trust Fund.

62. The Sustainable Finance Plan for the National Protected Area System was completed in June 2008³. The Plan consists of:

- Financial gap analysis of current income versus expenditures for the national system of protected areas
- Comparative analysis of the current cost structures compared to optimum cost structures based on estimates for increased protected areas and improved national area management
- Market analysis of the goods and services provided by these natural resources and their economic impact. Estimated valuation of these natural resources as well as identification of stakeholders.
- SWOT analysis of the potential finance mechanisms
- A 10-Year Action Plan with viable funding mechanisms.

63. The Plan recommends that a Protected Areas Trust Fund be established to be administered by a professional Trustee, such as The Bank of The Bahamas Trust Company. It would allow transparency in financial management through the appointment of external auditors and the preparation of annual audited statements for presentation to Parliament. The Trustee would be responsible for receipt, investment and distribution of an Endowment Fund established for the benefit of The Bahamas National Protected Area System. Other potential funding mechanisms identified as viable by the Sustainable Finance Plan include a marine reserve user fee, protected area tax, additional government funding, and voluntary hotel and cruise ship charges. Viability of these funding mechanisms were assessed based on their potential to generate revenue, certainty in revenue generation (or lack of volatility) and complexity of implementation in the current economic and political context (i.e. less complex mechanisms were considered more viable).

64. Through Project Preparation Grant (PPG) activities, the following were developed:

³ *A Sustainable Finance Plan for Effective Management of The Bahamas' National System of Protected Areas.* June 2008.

- An issues and recommendations paper on the establishment of the Fund comprising feasibility and sustainability issues, opportunities and constraints/threats/risks, legal framework, alternative options and mechanisms. The paper serves to advise and assist the GOB as regards the Fund establishment, operation and management by examining various models including existing modalities of funds established in The Bahamas;
 - A legal framework and governance structure for the PA Fund inclusive of draft legislation for its establishment and draft bylaws for its operation. The framework outlines necessary legal steps to be taken by the GOB to establish the Fund, including any regulatory or statutory requirements, tax exemption status, fiduciary or auditing requirements, which may be required for the Fund’s establishment and/or operation;
 - An draft asset management or investment policy; and
 - A draft fundraising strategy and options, including target goals and benchmarks.
65. The issues and recommendations paper involves:
- Comparison and analysis of the legislation establishing PA Funds in the following countries;
 - Comparison and analysis of relevant legislation of The Bahamas;
 - Comparison and analysis of the written policies, guidelines and reports dealing with conservation trust funds of international donor agencies, including GEF;
 - Analysis of the needs, opportunities and constraints for financing the Bahamas National Protected Area System; and
 - Detailed analysis of sections of the draft Bahamas Protected Area Fund (BPAF) Act and explanation of key components of the legislation as well as comparison with legislation of protected area funds of other countries
66. The legal framework and governance structure includes the draft Act which establishes a corporate body to be called the Bahamas Protected Areas Fund (BPAF), with perpetual succession and a common seal, which shall be capable of entering into contracts, acquiring, holding and disposing of real and personal property, of suing and being sued in the Fund’s own name, and of doing and suffering all other lawful things that a natural person of full capacity may do and suffer. The general purpose of the Fund is to support the protection and maintenance of biodiversity within the Bahamas National Protected Area System, including support for scientific research, environmental education and awareness, and other activities that contribute substantially to the BNPAS biodiversity protection and maintenance. The Fund is organized exclusively for charitable, educational and scientific purposes for the benefit of the public, and the provisions of the Act are to be interpreted in manner consistent with these purposes. The draft bylaws are designed, among other purposes, to specify various points not provided for in the Act for establishment of the BPAF regarding the conditions for appointment, recruitment as well as the roles and responsibilities of the Board of Directors, the Committees, the Executive Director and other staff of the Fund.
67. **The draft investment policy includes the following general investment principles:**
1. Investments shall be made solely in the interest of the Fund.
 2. The Fund’s assets shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man/woman acting in like capacity and familiar with such matters would use in the investment of a Fund of like character and with like aims.
 3. Investment of the Fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to diversify.

4. The Board of Directors, through its Investment Managers or Investment Consultant, may employ one or more investment strategies to attain the Fund's objectives.
 5. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.
68. The draft investment policy also includes the following concepts:
1. Preservation of Purchasing Power - Consistent with their respective investment styles and philosophies, investment managers and investment consultants should make reasonable efforts to preserve the Fund's capital, understanding that losses may occur in individual securities and that accounts in more volatile asset classes will fluctuate in value. Preservation of capital for this purpose means preserving principal plus achieving growth in excess of the rate of inflation.
 2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, investment managers and investment consultants employed by the Fund are to make reasonable efforts to control risk, and will be evaluated regularly by the Board of Directors or the Finance Committee of the Board of Directors to ensure that the risk assumed is commensurate with the given investment style and objectives.
 3. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated for adherence to those investment styles.
69. The fundraising strategy charts out the major avenues that BPAF should explore to increase and diversify its sources of funding, leverage its resources to increase funding for activities identified as priorities, and increase its outreach to donors. Assuming that the average net long-term rate of return from investing the BPAF's endowment will be around 5% per year, an endowment capital of approximately \$140 million would be required in order to generate the B\$7 million annual amount needed to fill the BNPAS' annual funding gap.
70. This \$140 million target for BPAF's endowment is clearly much more than the amount likely to be provided just by GEF, TNC, KfW and the Government of The Bahamas. This clearly demonstrates the need for having other sources of funding in addition to an endowment, such as the money that could come each year from tourism-related fees or developer's fees. BPAF needs to be financed through a combination of an endowment, sinking funds (i.e., multi-year funding for specific protected areas or projects), and revolving funds (i.e., funding from new fees and taxes which are legally earmarked specifically for BPAF).
71. The Fund will be capitalized at a minimum of US\$6.5 million, which will provide an approximate annual return of US\$300,000 to US\$650,000 which will mainly finance activities within the national protected area system and to a lesser extent the operation of the Trust Fund. \$500,000 of GEF funding will be utilized for capitalization of the BPAF.
72. Lessons learned and experience from other similar projects, such as the Micronesia Challenge, will be followed in order to ensure full success of the BPAF (see last paragraph, Section D).

Component 2. Strengthening and expanding the MPA network [*GEF funding - \$1,168,000 Million; Co-financing \$392,950*]

73. *Activity 1. Assessment, scientific and technical analysis*

Collection and analysis of updated data on priority ecosystems for input into siting decisions, inclusion in management plans and in revised Master Plan (to be completed by project end).
 Cost - \$55,000

74. *Activity 2. Legal and Regulatory*

- Legal decrees drafted and approved for expansion of Marine Reserve Network based on existing Ecological Gap Analysis for The Bahamas (and regionally coordinated priorities).
- Zoning for marine reserves detailed and incorporated into national land use planning process, adopted and approved by the Department of Marine Resources and Ministry of the Environment.
- Management plans, including zoning and regulatory framework to be developed for 5% of the nearshore and shelf marine habitat within the Marine Reserve Network
- Cost - \$43,000

75. *Activity 3. Capacity building & Communications*

- Staffing, infrastructure and funding mechanisms established for 5% of the nearshore and shelf marine habitat as identified in the Master Plan.
- Training programs developed and implemented for MPA personnel and Protected Area Trust Fund beneficiaries (communities, NGOs, students and other relevant stakeholders) in collaboration with the SPAW Training of Trainers Programme on MPA management
- National Communications Strategy, including knowledge management developed and implemented with added intent of scaling up successful demonstration projects.
- Cost - \$203,000

76. *Activity 4. Pilot demonstration projects* at two selected priority MPA sites will be developed to address priority threat categories. Criteria established for the first demonstration site related to lionfish intervention were as follows:

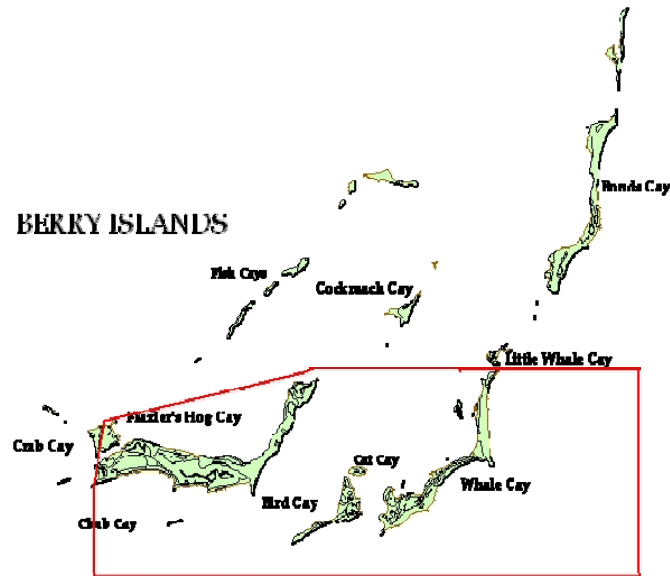
- Previous Lionfish sitings
- Substantial area for sufficient replication
- Buffer to outside influences (implication for size of area)
- Accessibility
- Variety of habitats (including artificial structures)
- Access to dive operation (stationary or live aboard for monitoring and control activities)
- High global biodiversity significance
- High tourism value (e.g. popular dive sites)

Based on these criteria, top 2 sites were ranked as follows with number 1 scoring highest:

- South Berry Islands Marine Reserve
- Exuma Cays Land and Sea Park

77. The South Berry Islands Marine Reserve (SBIMR) is located in the southern most island chains of the Berry Islands, some 30 miles northeast of the capital, Nassau. It is 72.8 square miles (188.55 square kilometers). The area extends from Crab Cay to the west, to some 4 miles east of Whale Cay, and extending some 4 miles south of Chub Cay at the northern lip of the Tongue of the Ocean (see Map 1). It protects an extensive array of habitats that are of importance to the marine ecosystems in The Bahamas, such as mangroves, low and high profile coral reef formations, sea grass meadows, sand flats and hard bottom. It is known as a conch nursery ground. The area features extensive Elkhorn coral populations, sandy beaches

and rocky coastlines. Important fish species found in this reserve include parrotfish (queen, stoplight, striped, princess), snappers (yellowtail, schoolmaster), grunts (french, white, smallmouth, bluestriped), groupers (nassau and tiger), and cleaning gobies. Key marine invertebrates found in SBIMR include Queen conch, Spiny lobster and Sea urchins. Green and loggerheads marine turtles are also found within the reserve. Endangered and threatened species found in SBIMR are Graysby (stable), Coney (decreasing), Nassau grouper (decreasing), Green turtle (decreasing), and Loggerhead turtle (endangered-needs updating). Threats to the reserve include marine invasive species, illegal fishing, tourism-related activities (such as boating, sportsfishing, and recreational diving), land ownership and development, and lack of resources for management. Management objectives for SBIMR include species protection, ecosystem protection and fisheries management.

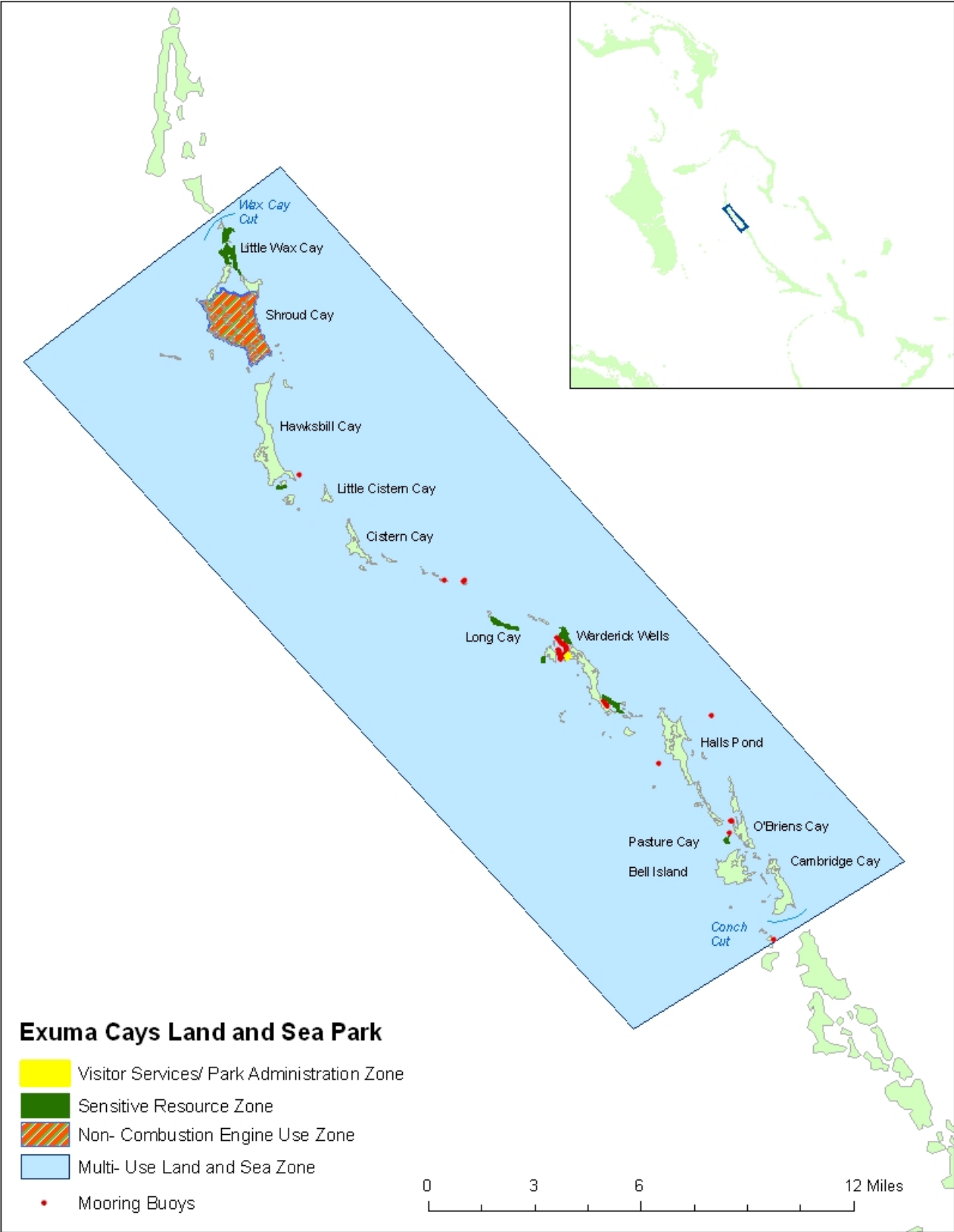


Map 1: South Berry Islands Marine Reserve

78. Exuma Cays Land and Sea Park (ECLSP) was created in 1958. This 176 square mile park was the first of its kind in the world and is famous for its pristine beauty, outstanding anchorages and breathtaking marine environment. Within the boundaries of the ECLSP are Little Wax Cay, Shroud Cay, Little Pigeon Cay (private), Hawksbill Cay, Little Hawksbill Cay, Cistern Cay (private), Long Cay, Warderick Wells, Halls Pond Cay, Little White Bay Cay, South Halls Pond Cay (private) Soldier Cay (private), O'Brien's/Pasture Cays, Bell Island (private), Little Bell Island (private) and Rocky Dundas. Unique Bahamian wildlife is found within the park, including the Hutia (pronounced 'who-tia'), *Geocapromys ingrahami*, the only terrestrial mammal native to The Bahamas. Iguanas forage in the bushes for food and sea turtles lay their eggs on undisturbed beaches within the park. Sea birds also nest without interference on cays within the park.
79. The rarest living creatures in the Park are the blue-green, reef-forming algae known as "stromatolites". Stromatolite reefs are the oldest living evidence of life on earth, with some fossil stromatolites dating back 3.5 billion years. In 1983 and 1984, stromatolites were found

in The Bahamas off Stocking Island, Lee Stocking Island and in the Exuma Cays Land and Sea Park. These stromatolites are estimated to be about 2,000 years old.

80. ECLSP is the first marine fishery reserve established in the Caribbean. Since being declared a no-take marine area in 1986, the park has been documented to support significantly higher populations of marine life, especially commercially important species. The concentration of Queen conch inside ECLSP is 31 times higher than the concentration outside the park. This conservatively provides several million conch outside the park for fishermen to harvest each year. Spiny lobster tagged in the park have been found repopulating areas around Cat Island (70 miles away). Approximately 74% of the grouper in the northern Exuma region come from the park, and grouper tagged in ECLSP were found off both North Long Island and South Long Island (150 miles away).



81. **Pilot Demonstration 1 - Invasive Alien Species** (South Berry Islands Marine Reserve and Exuma Cays Land and Sea Park)
 The pilot project will enable execution of a population control experiment to determine which removal techniques and frequency are most effective at controlling lionfish (*Pterois volitans*) populations ***at selected intervention and control sites*** within the South Berry Islands Marine Reserve. The experiment design will be developed to be complementary to that of the pilot project *Local and Regional Research, Training and Management Approach to the Lionfish Invasion in The Bahamas* under the regional project *Mitigating the Threats of Invasive Alien Species in the Insular Caribbean: The Bahamas*. ***Sites will vary by habitat type, e.g. patch reefs, mangrove creeks and seagrass beds, and removal frequency schedules (i.e. no removal, moderate removal frequency and high removal frequency in a factorial design experiment.*** The initial phase of the experiment will occur over a 1-year period within SBIMR with the intent that the most successful methodology will be replicated in the Exuma Cays Land and Sea Park for the remainder of the project while simultaneously being implemented in SBIMR. The intent is to eventually scale up the removal technique to all MPAs within the marine reserve network and national parks system.
82. In order to determine the impact of lionfish on native fish species within the marine reserves (***competition for food with native predatory fish species – as per STAP advice***), the stomach contents of lionfish removed will be analyzed to determine fish species and sizes they prey on and thus which native species they also compete with for food. Some initial data collection on this has already begun from various sites across The Bahamas.
83. The project will also have an added component to determine whether ballast water is an invasion pathway for lionfish (*Pterois volitans* and *P. miles*) into The Bahamas. This will involve testing of ballast water of boats coming into ports of Nassau, Chub Cay and Georgetown over a one-year period. Sampling will be done on a quarterly basis to detect presence of lionfish eggs or juveniles. If lionfish is found to be present in ballast water, protocol for handling of ballast water will be developed as a preventative measure.
84. Key indicator(s): Species abundance – Lionfish (*Pterois volitans* and *P. miles*); species presence (in ballast water); species presence (in Lionfish stomach); overall reef health using Reef Check methodology.
85. Cost:
\$243,000 which includes:
- (1) Experiment coordination - \$25,000. This will cover part-time coordinator for the experiment, the coordinator's travel costs for visiting each site (SBIMR over 5 years and ECLSP over 3 years) once per year.
 - (2) Site specific activities - \$104,000 [i.e. \$22,000 per year in the first two years and \$15,000 per year in the final 3 years in SBIMR. \$15,000 will be provided to the Bahamas National Trust (BNT) for airfare, accommodation and per diem for one representative from ECLSP to meet in New Providence once a year over the 5-year period and to transport lionfish specimens to New Providence for stomach content analysis; BNT will provide co-financing for field activities in the sites in the Exuma Cays Land and Sea Park.] This will cover the following:
 - (i) Analysis of stomach contents (e.g. expert analysis of specimens, training of DMR staff and student volunteers in analysis of stomach contents)
 - (ii) Expendable Supplies (e.g. fish euthanizing drugs, underwater paper, clipboards, dive flags and floats, etc.)

- (iii) Small Capital Equipment (e.g. lionfish collecting nets, three prong paralyzer tip spears, lionfish specimen collection bags, marine coolers for transport of collected lionfish specimens, etc.)
 - (iv) Travel (i.e. Fuel to operate boats and cars, airfare, accommodation and per diem for one representative from each island to meet in New Providence once a year).
- (3) Ballast water sampling - \$114,000. This will cover the following:
- (i) Analysis of ballast water (e.g. expert analysis of samples, training of DMR staff and student volunteers in identification of lionfish eggs and juveniles)
 - (ii) Expendable supplies (e.g. sampling and testing equipment)
 - (iii) Small Capital Equipment (e.g. freezers to store specimens, marine coolers for transport of ballast water samples to New Providence)
 - (iv) Transport (e.g. freight charges to transport samples to New Providence for testing, fuel to operate boats and cars)
86. With the participation of a representative of the GEF's Scientific and Technical Advisory Panel, at project inception, the project team will further advance detailing of the lionfish experimental pilot project intervention design which includes "control groups" for the pilot project interventions to assess efficacy of the pilot intervention (the "project treatment") to ensure an effective project intervention strategy with potential for further replication (if successful).
87. Criteria established for the demonstration site related to climate change, community enforcement and alternative tourism models were as follows:
- Contribution of fisheries resources
 - Accessibility
 - Data availability
 - High tourism value
 - High global biodiversity significance
 - Fishing in neighbouring communities
 - Resiliency to climate change
 - Urgent threat exists
 - Effectiveness as a MPA
 - Opportunism/Willingness of community to participate in management of MPA

Based on these criteria, top 3 sites were ranked as follows with number 1 scoring highest:

- Exuma Cays Land and Sea Park
 - South Berry Islands Marine Reserve
 - North Bimini Marine Reserve
88. **Pilot Demonstration 2 – Incorporating Climate Change and Mangrove Restoration into Conservation Planning** (entire Bahamas and Exuma Cays Land and Sea Park)
 Coral reefs in The Bahamas were seriously damaged by coral bleaching in 1998 when sea temperatures rose to anomalously high levels. With sea temperature continuing to rise throughout this century, coral bleaching events are likely to become regular problems. Added to the bleaching threat to corals are the routine disturbances from hurricanes. However, recent work funded by the GEF Coral Reef Targeted Research Project and Living Oceans Foundation has shown that sea temperatures warm predictably in parts of The Bahamas. The research, led by the University of Exeter, clearly shows that some reefs will experience more intense climatic disturbance than others.

89. The first part of this pilot project will use a combination of historical sea surface temperature records, historical hurricane tracks (as far back as the year 1851), and climate models to locate those reefs of The Bahamas that are likely to have the greatest resistance and resilience to climate change. These predictions will be made possible by using a validated ecological model of Bahamian reefs that was developed by the University of Exeter and published in the journal *Nature*. The model will be calibrated locally by undertaking field studies of different levels of algal growth across the Bahamian archipelago. Other parameters will be obtained from existing satellite imagery (habitat maps, hurricane tracks, sea surface temperature patterns). The final output will be a map of expected reef futures under a ‘business-as-usual’ approach to conservation. This will be complemented with another map that shows the potential impact on reef health of implementing marine reserves in each part of The Bahamas. These maps will then be combined with state-of-the-art information on patterns of larval dispersal across The Bahamas, provided by the University of Miami, to identify priority sites for conservation from a biophysical perspective. This information will assist the strategic planning of new marine reserves and provide simple tools to local stakeholders that can be used to help them select local sites for conservation.
90. Reefs with prolific mangrove access have a greater supply of several commercially important fishes and increased levels of grazing that are thought to improve the reef’s recovery from hurricanes and bleaching events. Priority sites for mangrove reforestation will be identified using a computer algorithm to determine which sites, if restored, would offer the greatest value to the reef ecosystem, as a whole. Such an algorithm has been developed by the University of Exeter. The pilot will include a historical analysis of sites that have lost mangrove forest, thereby identifying those former mangrove sites that would offer the greatest value to reef fisheries if restored. Restoration activities will occur in the Exuma Cays Land and Sea Park as a demonstration to be scaled up at other sites in the future. Modeling will be complemented by field data collection for identification of critical areas of mangrove seeds and mangrove restoration sites. There will also be resilience monitoring for mangroves restored and development of threat abatement strategies for critical areas identified within ECLSP.
91. Key indicator(s): Maps of climate change impacts on coral reefs in the Bahamas; Maps indicating potential impact of implementing marine reserves on reef health; Number of sites identified as being relatively resistant to future climate change; Number of management plans that take account of climate change impacts on reefs; Number of sites identified for mangrove reforestation; Production of map of mangrove contribution to reef fisheries; Quantification of the loss of mangroves in the Bahamas over the last 20 years; Amount of mangrove reforested; Health of mangroves reforested following restoration.
92. Cost:
\$322,000 which includes:
- (1) Field data collection on local coral reef ecological dynamics and coordination of activities - *\$114,000*
 - (2) Implementation of models, algorithms and maps to predict climate change impacts on coral reefs, the importance of mangrove nursery habitats and identification of restoration sites - *\$84,000*
 - (3) Placement of maps onto Online GIS system - *\$10,000*
 - (4) Mangrove restoration activities - *\$114,000*

93. **Pilot Demonstration 3 – Tourism and Coral Reef Health** (Exuma Cays Land and Sea Park, Black Point)
 This pilot would involve:
- a. Establishment of resource thresholds for a sustainable tourism model
 - b. Development of the components of a sustainable tourism model for the MPA and adjacent developments inclusive of:
 - tourism management strategies including determining access to sensitive habitats or critical phases (e.g. seabird and turtle nesting periods), IAS control protocols (e.g. inspection of visitors, vehicles and equipment for invasive plant and animal species) and prohibition of souvenir collection (e.g. seashells, driftwood, flowers and seeds)
 - design and construction of facilities and infrastructure including use of green/alternative technologies that are cost-effective
 - management of waste streams
 - identification of options for sustainable tourism activities (i.e. sustainable extractive and non-extractive uses)
 - c. Training of the local community in skills to engage in sustainable tourism activities, and
 - d. Development of a business plan and means of sustainable finance.
94. Key indicator(s): Reef health using Reef Check methodology; resource thresholds for coral reefs, mangroves, turtle nesting beaches, and seagrass beds; cost benefit analysis for sustainable tourism alternatives; level of resource conflict; local marine resource use patterns; household income distribution by source; household occupational structure; perceptions about tourism and towards reserves; understanding of MPA rules and regulations; existence and activity level of community organizations; proportion of stakeholders trained in sustainable tourism practices; existence of business plan; existence of sustainable financing mechanism(s); existence of design and construction protocols for facilities and infrastructure within and neighbouring MPA
95. Cost:
\$302,000 which includes:
- (1) Establishment of resource thresholds - *\$101,000*. This will cover literary review for existing data, coordination, field data collection, data analysis and threshold establishment for coral reefs, mangrove, turtle nesting beaches, and seagrass beds in select MPA.
 - (2) Development of sustainable tourism model - *\$101,000*. This will cover development of tourism management strategies, design and construction protocols, waste management protocols and options for sustainable tourism activities.
 - (3) Training of local community - *\$55,000*
 - (4) Development of a business plan and sustainable financing mechanism(s) - *\$45,000*
96. Lessons learned and best practices for successful pilots will be shared with a view towards scaling up in other like threatened priority sites. Scaling up of demonstration sites will be engendered through communications and knowledge management efforts, incorporation into training models, and if appropriate, integrated into criteria to access Bahamas Protected Area Trust Fund resources. This component builds on activities identified for priority action under the Master Plan for the Bahamas National Protected Area System which is developed based on the goals of the Programme of Work on Protected Areas (PoWPA) of the Convention on

Biological Diversity. It is also complementary to those activities to be completed under the UNDP Early Action Grant, which include economic valuation of two national park sites (one of which has a marine component), development of a long-term monitoring system for the national protected area system and initial training activities for protected area managers.

97. **Component 3.** Monitoring and Evaluation [*GEF funding - \$108,500, \$63,800*]
98. Activity 1. Management effectiveness monitored in calendar years 1, 2 and 4 of the project using RAPPAM and METT tools
An integrated RAPPAM, METT and Marine METT questionnaire was developed during the PPG phase of the project. Though the questionnaire is integrated, it allows presentation of data in the particular format required, whether that be METT, Marine METT or RAPPAM. Questionnaires have been completed for all existing terrestrial and marine protected areas that are a part of The Bahamas National Protected Area System (BNPAS). The results of this baseline assessment are attached at **Appendix 15.**
99. The UNDP Financial Sustainability Scorecard will be used to monitor socio-economic indicators for the BNPAS across the life of the project with assessments in years 1, 2 and 4 of the project. The scorecard has been completed for the BNPAS to form the baseline for the project. The results of this initial assessment are attached at Appendix 15.
100. Cost:
\$22,500 which includes:
1. Completion of integrated management effectiveness questionnaire in years 1, 2 and 4 - \$15,000
 2. Completion of financial sustainability scorecard in years 1, 2 and 4 - \$7,500
101. Activity 2. Monitoring status of biodiversity indicators and management effectiveness indicators of project interventions.
The Reef Check survey methods will be used to determine coral reef ecosystem health (http://reefcheck.org/about_RC_Reef/reeffaq_detail.php?id=29). A standard Reef Check survey involves both transect and manta tow surveys over a large area of reef. The transects cover 800 square metres of reef twice (once for invertebrates and once for fish) and point-sampling 160 points along 80 metres of reef to determine the substrate composition. Reef Check (RC) was designed using a unit-based approach (four x 100 square m transects) so that with proper sampling design it can be applied to measuring coral reef health at individual sites and on a regional and even global scale. For results covering a large area (scale), a single RC survey replicated at many sites over this area is sufficient to produce reliable results on reef health. For example, at the regional or global scale, a sample of say, 500 sites, spread over the area provides a reliable estimate of average conditions in the area. Conclusions regarding parameters such as mean coral cover and abundance of most indicators are likely to be accurate.
102. Replication of surveys is also important to obtain reliable results on a local scale e.g. a single reef. While corals do not move, fish do. So a single survey may be sufficient to estimate coral cover on a certain reef, it will likely be insufficient to estimate abundance of rare organisms. Four or five surveys might be needed to obtain a reliable estimate of the abundance of common fish, and still might be insufficient to provide a reliable estimate of the abundance of rare fish e.g. the humphead wrasse. That being said, if zero humphead wrasse are recorded after five surveys on a reef, that “zero” has meaning. While we cannot estimate humphead abundance, we can say that humphead wrasse are very rare – usually because they have been

fished out. This is very useful information both at the local and regional levels for those interested in coral reef management.

103. Reef Check uses 2 separate data sheets, one for each survey option. The Organism Checklist data sheet is used if surveyors are checking off each reef creature when they see it. The Organism Tally data sheet is used if the surveyor is identifying and counting the abundances of each organism. These data sheets can be found at http://reefcheck.org/ecoaction/Caribbean_Organism_Checklist.php and http://reefcheck.org/ecoaction/Caribbean_Organism_tolly.php.
104. Data sheets are also completed for site description, fish and invertebrate belt transects and substrate line transects. Site descriptions and substrate surveys will be completed twice a year. Fish and invertebrate surveys will involve 3 replicate surveys at each site with surveys being done quarterly over the life of the project. Survey depths should not exceed 36 feet (12 metres). The data will be submitted to Reef Check for inclusion in their global database. The data will also be submitted to the Global Coral Reef Monitoring Network (GCRMN). The Bahamas data will be shared with the Northern Caribbean and Atlantic Node for inclusion in the GCRMN.
105. METT, Marine METT and RAPPAM indicators will be used to track management effectiveness at each site involved in pilot projects as well as all other protected areas within The Bahamas National Protected Area System in years 1, 3 and 5.
106. Activity 3. Training for MPA personnel and beneficiaries in monitoring techniques. MPA personnel and other key stakeholders will be trained in Reef Check methodology. The training will occur as follows:
 - EcoDiver training – 4 days for 15 people inclusive of monitoring plan to confirm costs and assign teams to sites (\$16,000)
 - Data analysis and Interpretation/Reporting – 2 days (\$10,000)
 - Using data in coral reef management – 2 days (\$10,000)
 - Training of Trainers (TOT) - 2 days for graduates of EcoDiver training course, dive masters and dive instructors (\$15,000)
107. Participants in the Reef Check training will be from government agencies (Department of Marine Resources, Ministry of the Environment, Ministry of Tourism, and Royal Bahamas Defence Force) along with local NGOs (Bahamas National Trust, BREEF, and The Nature Conservancy), academic scientists (College of The Bahamas lecturers and students) and dive shop representatives. Once the core of 15 persons receives the EcoDiver certification, the goal will be to have at least 7 of these persons also complete the certification as Trainers so they can conduct EcoDiver certification workshops at the pilot project sites. There will be at least 2 additional workshops – one in SBIMR and one in ECLSP – with the goal of having a minimum of 45 persons within The Bahamas certified as EcoDivers.

Cost: **\$51,000**

108. **Component 4. Project Management [GEF Funding - \$190,000; Co-financing \$252,700].** The project will be managed by the National Implementation Strategy Partnership (NISP) agencies led by the BEST Commission. The project team will include staffing with the following skill sets: project administration and management, trust fund management, together with sectoral experts in biodiversity, climate change, economics, GIS mapping, tourism and

fisheries. The project will be guided by a National Coordination Committee (NCC), composed of representatives from the various pertinent thematic sectors, private sector, NGOs and key project partners, including the Ministry of the Environment, Department of Marine Resources, Bahamas National Trust, The Nature Conservancy. Additional stakeholders such as UNEP (and/or UNEP/CEP), CABI, and other relevant groups will participate in annual NCC Meetings with a view towards providing guidance and steering the implementation of the project.

3.4 Intervention logic and key assumptions

109. The project aims to expand protected area coverage of globally significant marine biodiversity and increase the management effectiveness of the national marine protected area network across the Bahamian archipelago. This will be achieved through the following interventions:
 - Creation of sustainable funding mechanisms for the national PA system (Component 1);
 - Assessment, scientific and technical analysis (Component 2.1);
 - Legal and regulatory activities (Component 2.2);
 - Capacity building and communications (Component 2.3);
 - Demonstration projects – lionfish control in MPAs, incorporating climate change and mangrove restoration into conservation planning, and development of a sustainable tourism model for an MPA (Component 2.4); and
 - Monitoring and evaluation, particularly with respect to management effectiveness (Component 3).
110. The master planning process for the BNPAS has identified gaps and deficiencies as well as threats and barriers to a national protected area system that is sustainable and effectively managed. The FSP interventions have been designed through a participatory process with stakeholders and in conjunction with other projects already being implemented in The Bahamas to address key gaps, deficiencies, threats and barriers.
111. Sustainable financing for protected areas is a global concern and The Bahamas has identified its funding gap for the next ten years as well as mechanisms that could potentially fill that gap. The FSP will enable development of the Bahamas Protected Area Fund as an endowment into perpetuity for the BNPAS as well as other mechanisms that can provide funding for management of protected areas.
112. Management effectiveness for the BNPAS has been established as a baseline through the PPG phase of this project and through use of an integrated tracking tool. The FSP will enable improvement of management scores for the BNPAS over the four-year period of the project and beyond the project life cycle as important skills and capacity is built through various project activities.
113. The demonstration projects have been designed to address key threats facing protected areas in The Bahamas – IAS, climate change and unsustainable tourism. The demonstration pilots should result in development of mechanisms to combat these threats that can be replicated through the entire BNPAS and other PA systems globally.
114. Capacity building and communications project activities will result in increased capacity within the country for effective PA management. This increased capacity will include increased staffing (with respect to numbers and skills), adequate infrastructure and sustainable funding mechanisms for 5% of the nearshore and shelf marine habitat of The Bahamas. With

successful execution of the FSP, the intent is to scale up project activities across the BNPAS so that 20% of the nearshore and shelf marine habitat of The Bahamas is effectively conserved by 2020.

- 115. The legal and regulatory component of the FSP will enable expansion of the Marine Reserve Network, zoning of marine reserves and their incorporation into the national land use planning process as well as development of management plans for 5% of the nearshore and shelf marine habitat of The Bahamas.

3.5 Risk analysis and risk management measures

- 116. Project design addresses risks affecting institutional sustainability, social and financial sustainability – Please see Section 3.8 on Sustainability. Additional risks to the project along with measures to be taken to manage these risks are described below in Table 5.

Table 5: Risks and associated Management Measures

Risk	Rating	Overall Risk Management Measures
Climate Change: The Bahamas with its highest elevation being 211 feet above sea level and shallow marine bank systems is extremely vulnerable to the effects of climate change, including increased frequency of tropical storms and sea level rise.	High	A key component of the project will be to model the effects of climate change on the marine resources in The Bahamas, particularly at MPA sites. The project will also identify those coral reef systems in The Bahamas that have shown resiliency to past coral bleaching episodes with the goal of having these areas fully integrated into the national Marine Reserve Network in the future. Furthermore, climate change adaptation through mangrove restoration at critical sites will be implemented as a demonstration to be scaled up across the archipelago within the Bahamas National Protected Area System.
Fluctuations in economy: Economies of countries all over the world are experiencing challenges. With increasing fuel prices, reduced international travel and other such factors, the tourism industry of The Bahamas is experiencing challenges. If in the next year or two, tourism continues to experience challenges due to low visitor arrivals, Bahamians may have to turn to other sources of income. In the past, many have resorted to fishing as a means of supporting their families and earning a living. This means more pressure on	High	Through its training programs, National Communications Strategy and pilot projects on community enforcement and ecologically sound planning, the project seeks to prepare for such risks.

marine resources and will make establishment and management of MPAs more difficult.		
Fluctuations in interest earned by BPAF: There is no guarantee that the Trust Fund will earn the predicted percentage on an annual basis.	Medium	The BPAF will also have a spending policy of utilizing up to 5% of the previous three years' portfolio value determined at the end of each fiscal year minus gifts received to account for fluctuations in interest earned. The investment policy also outlines investment goals related to ensuring an absolute rate of return of 5% and minimizing risks through appropriate investment management strategies. The project will also seek to generate complementary sources of conservation finance, thereby diversifying the revenue streams to the MPA network. Several national and international organizations have also made commitments to the PA Trust Fund. In time, the priorities of these organizations may shift, so in seeking other sources of conservation finance, the project also hopes to address this risk.
Change in priorities by the Government: Successive Bahamian Governments have been supportive of the national protected area system and work of the NISP Partner agencies to implement the PoWPA. However, with the many other challenges faced by the Government, protected areas may not always be a priority issue.	Medium	The BPAF establishment through legislation and design of its administrative structure is vital to continued sustainable funding of protected areas in The Bahamas. The National Communications Strategy and Coordination Mechanism also play an important role in maintaining conservation, particularly in the marine environment, as a priority in The Bahamas.

3.6 Consistency with national priorities or plans

117. The Government of The Bahamas (GOB) through the Bahamas 2020 Declaration has publically committed itself to meet the 2010 and 2012 goals of the CBD Programme of Work on Protected Areas (PoWPA) and additionally, to effectively conserve 20% of the marine nearshore habitat by 2020. The GOB has also committed to effectively conserve a minimum of 50% of existing marine and 50% of existing terrestrial national parks and protected areas being effectively managed by 2020 through provision and facilitation of necessary core staff, infrastructure, policies, regulations, bylaws and management plans to make them fully functioning protected areas where sustainable activities occur inclusive of research, education, habitat rehabilitation and conservation.

118. The project is also consistent with priority activities as outlined in the National Biodiversity Strategy and Action Plan, National Invasive Species Strategy and National Environmental Management and Action Plan. Project activities will also be aligned with those of the Regional Invasive Species project, Early Action Grant for Supporting Country Action on the CBD Programme of Work on Protected Areas, and the Second National Communication on Climate Change project.

3.7 Incremental cost reasoning

Baseline scenario

119. This baseline analysis includes a GEF investment of US\$50,000 during the PPG phase (see Appendix 3).
120. With the establishment of the Bahamas National Trust by an Act of Parliament in 1959, The Bahamas showed its recognition of the need to sustainably fund conservation areas with the establishment of the Heritage Endowment Fund for national parks in the country. Through the development of the sustainable finance plan, stakeholders recognized the need to expand financing to other types of protected areas in the country as well as the fact that the financing needs for protected areas had grown significantly to more than B\$90 Million over the next 10 years. The Sustainable Finance Plan (SFP) recommended development of a protected area trust fund as one means for such financing. Through an Early Action Grant provided by TNC through the NISP Agreement and funding under the PPG, a draft Act to establish the Bahamas Protected Area Fund (BAPF) has been significantly advanced along with a proposed governance structure, investment policy and fundraising strategy for the Fund.
121. The Ecological Gap Analysis for the BNPAS was completed in December 2007 through the use of MARXAN software tool. It enabled identification of priority areas for inclusion on the BNPAS as well as proposing scenarios for 10% and 20% conservation across the Bahamian archipelago.
122. Three marine reserves have been formally established with boundary coordinates by the Government of The Bahamas. All the initial reserves are no-take areas. They are North Bimini Marine Reserve, South Berry Islands Marine Reserve and Exuma Marine Reserve (Jewfish Cays). The management planning process has been initiated for the South Berry Islands Marine Reserve.
123. An assessment of capacity of the BNPAS as well as a Capacity Action Plan (CAXP) have been developed through an Early Action Grant from The Nature Conservancy through the NISP Agreement and through funding from the PPG. Through the assessment, deficiencies in staffing, infrastructure and funding have been identified and recommendations on how to address these are outlined in the CAXP. A Communication Plan is also being developed for the Marine Reserve Network.
124. With respect to pilot demonstration activities, the following should be noted:
- IAS – Lionfish as a significant invasive threat to the Bahamian marine environment are currently being removed on a sporadic basis by the Department of Marine Resources; there have been training workshops and public awareness campaigns to engage fishermen and other key stakeholders in assisting in the removal of this invasive species, but only in a limited way due to staff and funding constraints;

- Climate change and mangrove restoration – There is limited data available on coral reef ecological dynamics though some models and algorithms do exist and these have been utilized to generate maps that show predictions of changes in sea surface temperature across The Bahamas. While mangrove restoration activities have occurred sporadically over the years, there is limited data and knowledge available on potential sites that would be suitable for mangrove restoration and thus a means for adaptation to climate change. The National Creeks and Wetlands Initiative report indicates several sites where these natural systems have been impacted by coastal erosion and movement of sand during tropical storms.
- Sustainable tourism – Sustainable tourism guidelines have been developed by the Ministry of Tourism, but are not being implemented or promoted. No sustainable tourism models exist for MPAs or other sites in The Bahamas. There is also limited to no training available for local communities that would want to pursue sustainable tourism as a means of employment and no business plan models or sustainable finance mechanisms to assist them.

125. The first assessment of management effectiveness for Bahamian protected areas was completed in October 2007; this was only a partial assessment and not for the entire BNPAS. The PPG enabled the first complete management effectiveness assessment and this has been accomplished using an integrated tool that incorporates both RAPPAM and METT methodologies. This process has enabled development of ME indicators for the BNPAS. There are presently no standard biodiversity indicators for the BNPAS though this is expected to be a key output of the Early Action Grant for Supporting Country Action on the CBD Programme of Work on Protected Areas. The PPG funding enabled development of biodiversity indicators to track progress of FSP implementation with the intent that some of these may become standardized across the BNPAS. Staff working in protected areas as well as those organizations who will potentially benefit from the BPAF have limited to no skills in monitoring for biodiversity or management effectiveness.

Alternative scenario

126. Through GEF FSP, BPAF will become operational. Over time the goals of the Investment Policy and Fundraising Strategy will be achieved and the 5-Year Business Plan successfully executed. The Operational Manual for the BPAF will be reviewed and updated regularly. In addition to the BPAF, other sources of conservation finance will become operational and contribute to the effective management of the BNPAS.
127. Priority MPA sites will be identified and mapped for their inclusion in the management planning process and revised Master Plan with the intent of reaching the 2020 goal of 20% conservation. Reaching the goal will also involved expansion of the current Marine Reserve Network with zoning plans and tools developed to assist in decision making related to the Network and national land use planning. Management plans will continuously be developed as new reserves are created with models plans developed through the FSP as a foundation to build on.
128. Sufficient staffing, infrastructure and funding will be in place for 20% of the marine habitat of The Bahamas within the Marine Reserve Network as a result of the sustainable finance mechanisms developed through the FSP along with other project activities. MPA personnel will have improved management skills and the Bahamian society will have an increased awareness of the benefits of MPAs. Aspects of the demonstration projects will be scaled up across MPAs in The Bahamas and best practices communicated to relevant stakeholders.

129. Management effectiveness will continue to improve with assessment becoming a tool regularly used in PA management, planning and decision-making. There will be regular monitoring of standardized biodiversity indicators so that managers can determine what actions are working and practice adaptive management for those that are not. MPA personnel as well as BPAF beneficiaries will have increased skills in monitoring techniques.

Incremental costs and benefits

130. GEF funding in the amount of US\$543,500 will support advanced development and necessary enactment of the legislation for the Fund's legal establishment. Additional incremental activities under this GEF supported component include: implementation of an Asset Management Policy and Fundraising Strategy; Development and implementation of a 5-Year Business Plan; Identification and development of complementary sources of conservation finance; and Production of an Operational Manual outlining the legislative, financial and administrative structure of the Protected Area Trust Fund.
131. As rationalized earlier in the document and through preparatory activities, it is essential to generate revenue for protected areas management through development of a substantive, and sustainable financing mechanism. The Sustainable Finance Plan for the National Protected Area System included a financial gap analysis of current income versus expenditures for the national system of protected areas together with a comparative analysis of the current cost structures compared to optimum cost structures based on estimates for increased protected areas and improved national area management. IN response to this urgent need, co-financing in the amount of US\$7,052,150 is to be provided by The Bahamas Government, the German bank, KfW and The Nature Conservancy for the initial capitalization of this vital Fund..
132. GEF funding will enable collection and analysis of current data on priority ecosystems for its use in MPA siting decision, management planning and revising the Master Plan for the BNPAS.
133. The FSP will enable drafting of legal decrees for expansion of the Marine Reserve Network based on the Ecological Gap Analysis as well as zoning for marine reserves. It is anticipated that the Network will be incorporated into the national land use planning process with approval by the Department of Marine Resources and the Ministry of the Environment. Management plans will also be developed for 5% of the nearshore and shelf marine habitat within the Network.
134. Staffing, infrastructure and funding mechanisms will be established for 5% of the nearshore and shelf marine habitat within the Marine Reserve Network as detailed in the Master Plan. Training programs will also be developed and implemented for MPA personnel and those organizations that will benefit from the BPAF; these programs will be developed in collaboration with the SPAW Training of Trainers Programme on MPA management. A National Communications Strategy will also be developed for the BNPAS.
135. The pilot demonstrations will be executed with the intent that successful results can be scaled up across the BNPAS and the experiences and best practices shared regionally and globally.
136. The FSP funding will enable increased management effectiveness and training for MPA personnel and beneficiaries of the BPAF in monitoring techniques for biodiversity and management effectiveness.

Table 6: Summary of Incremental Cost Analysis

		Grand Totals
Baseline	Bahamas	105,900
	GEF	50,000
Increment	Bahamas	7,761,600
	GEF	2,200,000
Alternative	Bahamas	7,867,500
	GEF	2,250,000

3.8 Sustainability

137. The sustainability of the actions proposed under the FSP may be defined as *the extent to which benefits continue, within or outside the project domain, from a particular project or programme, after GEF assistance/external assistance has come to an end*. Among the range of factors which may contribute to and enhance sustainability, the key elements for this project will include strengthening of the legal and policy framework for sustainable financing of protected areas, improving coordination of activities relating to MPAs at the national level, improving management effectiveness and developing the necessary institutional capacity to effectively address the threats faced by protected areas.
138. The involvement of a wide range of stakeholders, including private sector groups such as dive operators, fishermen, hotel operators, scuba divers, marina operators, investment firms, legal firms and tour operators in the pilot activities as well as the dissemination of information about MPAs and threats to them will have a multiplier effect and will contribute to wider sustainability.
139. *Institutional sustainability* is incorporated through:
- Development and use of computer models to project impacts of climate change and to assist in conservation planning with training in design and use of these models for local experts.
 - Training of protected area managers in use of management effectiveness tracking tools which will assist in monitoring Bahamas National Protected Area System and enable effective protected area management that is adaptive.

Social sustainability is incorporated through capacity building within local communities and local technical experts for skills related to sustainable fishing, sustainable tourism, fisheries enforcement, invasive species control, addressing adverse impacts of climate change, mangrove restoration and marine monitoring.

Financial sustainability is incorporated into the project through:

- Establishment of the BPAF through legislation which has an endowment fund as its core component, enabling an initial investment to generate financing for the Bahamas National Protected Area System into perpetuity and to provide for its replenishment and growth.
- Development of other conservation finance mechanisms and strategies which will also generate financing for protected areas over the long term.

3.9 Replication

140. The Bahamas project components cover key issues that are faced by several countries across the Caribbean as well as other Small Island Developing States globally. Pilot projects particularly will involve monitoring through use of scientifically and internationally accepted methodologies that will enable replication of these activities. Policies, plans and strategies developed through the project will also serve as examples for other countries to replicate. Innovations like the integrated tracking tool and computer models and algorithms can also be replicated.
141. Interventions which are effective can be adopted and scaled out, both by the national partners and by other stakeholders. For example, lionfish control methods developed at the pilot sites can easily be used at many other sites throughout the region, and in the future by countries where lionfish has not yet arrived. Adoption will be facilitated by the improved communication among stakeholders which will arise from the project's coordination actions at national and international level. Replication and knowledge management activities will be developed as part of the planned National Communications Strategy with the intent of scaling up successful demonstration projects.
142. Together with other GEF supported Caribbean region Marine Protected Area projects (Dominican Republic, Jamaica and a Regional project in the OECS countries), replication opportunities will be furthered with support from the Italian government for the "Caribbean Challenge". This support will enable showcasing of pilot demonstrations as well as sharing of funding mechanism experiences at regional forums to maximize replication and cross learning throughout the Caribbean and other regions.

3.10 Public awareness, communications and mainstreaming strategy

143. Public awareness and communication are integral to the FSP. A National Communications Strategy will be developed to aid in strengthening and expanding the Marine Reserve Network. The general purpose of the BPAF is to support the protection and maintenance of biodiversity within the Bahamas National Protected Area System through supporting activities inclusive of environmental education and awareness which contribute substantially to the BNPAS biodiversity protection and maintenance. The pilot demonstrations all involve awareness building on threats that face protected areas. The information that will be developed through the climate change and mangrove restoration pilot will assist in the strategic planning of new marine reserves and provide simple tools to local stakeholders that can be used to help them select local sites for conservation. The sustainable tourism pilot will involve mainstreaming biodiversity into the tourism sector while also increasing local community awareness of need for and benefits from MPAs.
144. Tools for achieving increased awareness and communications will include:
- Regular communication and meetings with NISP Partner agencies and those stakeholders involved in implementation of project components;
 - Reporting to key agencies, including Ministry of the Environment, Ministry of Finance, Ministry of the Environment, National Biodiversity Committee and National Climate Change Committee;
 - Public availability of project deliverables including maps, briefings, training manuals and the like; and

- Community meetings and school presentations, particularly for updates on pilot demonstrations and presentations on deliverables once completed.
- As part of Component 3, a National Communications Strategy, including knowledge management developed and implemented with added intent of scaling up successful demonstration projects.

3.11 Environmental and social safeguards

145. The Project has been designed to have positive environmental and social impacts through the creation of sustainable financing mechanisms for the BNPAS, strengthening and expanding the Marine Reserve Network and the various pilot demonstrations. The sustainable tourism demonstration will also provide possible livelihood opportunities; both this pilot and the lionfish pilot will involve local communities neighbouring the MPA sites that are the focus of the pilots.
146. Perceived negative impacts for some project interventions may be loss of fishing areas through expansion of the Marine Reserve Network. This perception can be addressed through increased awareness of the need for marine reserve and the benefits they provide to various sectors including fishing.
147. Increased skills for MPA personnel and BPAF beneficiaries will enable monitoring and evaluation of project interventions during the project and beyond the project life cycle. This can enable adjustments to interventions if unforeseen negative impacts occur and thus provide opportunities for adaptive management which is key in managing protected areas.
148. All stakeholders (see Section 2.5, Table 4 of Stakeholder Analysis) were involved in the project design though NISP partner agencies were most active, i.e. BEST Commission, Bahamas National Trust, Department of Marine Resources and The Nature Conservancy. Involvement of local communities is assured through Project Site Teams as part of the implementation arrangements.
149. The project will also put in place a M&E system with the objective to provide timely feedback on project implementation and performance to enable implementation team to practice adaptive management to prevent and address issues as they arise, strengthening both the environmental and social outcomes, and sustainable achievement of project outcomes and objective.
150. A number of Bahamian laws are of relevance and bear mentioning with respect to the implementation of this project. Article 15 of the Constitution of the Commonwealth of The Bahamas outlines fundamental rights and freedoms of the individual, and Article 27 outlines Protection from deprivation of property. Chapter 5 of the Constitution addresses the Continental Shelf, of particular relevance to this project, defining the "continental shelf" as, the seabed and subsoil of the submarine areas adjacent to the coasts, but outside the territorial waters, of The Bahamas, to a depth of two hundred metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas.
151. The preamble of The Bahamas National Assessment Report for the 10-year Review for the Implementation of the Barbados Programme of Action (2004) notes "Within Small Island Developing States the critical contribution of women to sustainable development, and the involvement of youth in the long-term success of Agenda 21, should be fully recognised.

Accordingly, youth should be encouraged to contribute to the decision-making process, and all obstacles to the equal participation of women in this process should be eliminated, to allow both youth and women to participate in and to benefit from the sustainable development of their native societies.” The spirit of this commitment will also be applied to the project at hand.

SECTION 4: INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION ARRANGEMENTS

152. At the regional level, BEST as the National Executing Agency (NEA), will participate in the Caribbean Challenge Regional Steering Committee mechanism to be established with Italian support. This Regional Committee aims to ensure regional coordination and coherence of other GLISPA (and GEF supported) initiatives in the Caribbean and other regions, as well as provide opportunities for exchanges of lessons and best practices.
153. At the national level, BEST, will be responsible for the implementation of the project in accordance with the components outlined in Section 3 of this document. UNEP, as the GEF Implementing Agency (IA), will be responsible for overall project supervision to ensure consistency with GEF and UNEP policies and procedures, and will provide guidance on linkages with related UNEP and GEF funded activities. The UNEP/DGEF Coordination Unit will monitor implementation of the activities undertaken during the execution of the project. The UNEP/DGEF Coordination Unit will be responsible for clearance and transmission of financial and progress reports to the GEF. Appendix 10 includes a decision-making flowchart and organizational chart for FSP implementation.
154. BEST, as the NEA, will cooperate with UNEP so as to allow the organisation to fulfil its responsibility as IA accountable to the GEF. To this end, free access to all relevant information will be provided by BEST. The NEA will also establish a National Coordinating Committee (NCC) and appoint a National Project Coordinator (NPC). In conjunction with the NPC, BEST will establish reporting guidelines for all partners and specialists and ensure that they submit quality reports. The NEA and NPC will collaborate to prepare biannual progress reports, quarterly financial reports and annual summary progress reports for UNEP.
155. The NCC will be responsible for managing the execution of project activities, inclusive of reviewing and advising on the main outputs of the MPA FSP, ensuring that the environmental policy of the Government is fully reflected in the MPA FSP, ensuring effective communication and decision-making, and assisting with mobilization of expertise as needed for proper execution of the MPA FSP outputs. On an annual basis the NCC will meet with all executing partners including UNEP CAR/RCU, UNEP DGEF and TNC to fulfil steering mechanism responsibilities including: oversight of project implementation, monitoring of project progress, strategic and policy guidance and to review and approve annual work plans and budgets. A complete list of responsibilities of the NCC can be found in Appendix 11.
156. The NPC will be responsible for coordinating, managing and monitoring the implementation of the MPA FSP conducted by the local and international experts, consultants, subcontractors and cooperating partners. The NPC will also coordinate and oversee the preparation of the outputs of the MPA FSP, manage the FSP finance, oversee overall resource allocation, and where relevant, submit proposals for budget revisions to the NCC and UNEP. Detailed responsibilities of the NPC are listed in Appendix 11.
157. The NISP partners will be represented on the NCC. Each NISP partner will be responsible for a pilot project as follows:

- DMRLionfish control in MPAs
- TNC Incorporating climate change and mangrove restoration into conservation planning
- BNT Development of a sustainable tourism model for a MPA

SECTION 5: STAKEHOLDER PARTICIPATION

158. The main stakeholders are the groups listed in Section 2.5. They include Government agencies, civic organizations and the private sector. A number of experts will also be involved in the project, either providing in-kind contributions to the project or serving as consultants for the project, including Reef Check, Global Coral Reef Monitoring Network Northern Caribbean and Atlantic Node, University of Exeter and Lewis Environmental Services. These were identified during the PPG phase of the project. All stakeholders were involved in the project design though NISP partner agencies were most active, i.e. BEST Commission, Bahamas National Trust, Department of Marine Resources and The Nature Conservancy.
159. A number of activities were undertaken during the PPG phase of the project to enable design of the FSP and collection of baseline data for the project:
- Stakeholder meeting for pilot project site selection criteria and completion of Financial Sustainability Scorecard;
 - Stakeholder meeting for completion of management effectiveness tracking tool for the Bahamas National Protected Area System inclusive of marine protected areas which are the focus of this project;
 - Stakeholder meeting for review of fundraising strategy, investment policy, BPAF Act and byelaws (recommendations were incorporated into the drafts);
 - Stakeholder consultation on pilot demonstration design and costing, including selection of biological and socioeconomic indicators;
160. Key stakeholders, mainly NISP partner agencies, actively participated in providing inputs to the formulation of the project, agreeing on the national organisational structure for project implementation and also the budgetary requirements for successful implementation of the project activities. Additional co-finance both in kind and in cash was sought to support FSP activities.
161. The overall implementation and execution arrangements for the FSP were developed in consultation with stakeholders for effective coordination of project activities at the national level as well as to enable involvement of regional and international experts.
162. For the pilot demonstrations, activities will be facilitated through Project Site Teams (PSTs) to ensure broad involvement of local communities and key stakeholders, proper planning, and cost-effective use of resources. The teams will involve representation from Government agencies, NGOs and key private sector groups, such as fishermen and dive operators.

SECTION 6: MONITORING AND EVALUATION PLAN

163. The project will follow UNEP standard monitoring, reporting and evaluation processes and procedures. Substantive and financial project reporting requirements are summarized in Appendix 8. Reporting requirements and templates are an integral part of the UNEP legal instrument to be signed by the executing agency and UNEP.
164. The project M&E plan is consistent with the GEF Monitoring and Evaluation policy. The Project Results Framework presented in Appendix 4 includes SMART indicators for each

expected outcome as well as mid-term and end-of-project targets. These indicators along with the key deliverables and benchmarks included in Appendix 6 will be the main tools for assessing project implementation progress and whether project results are being achieved. The means of verification and the costs associated with obtaining the information to track the indicators are summarized in Appendix 7. Other M&E related costs are also presented in the Costed M&E Plan and are fully integrated in the overall project budget.

165. The M&E plan will be reviewed and revised as necessary during the project inception workshop to ensure project stakeholders understand their roles and responsibilities vis-à-vis project monitoring and evaluation. Indicators and their means of verification may also be fine-tuned at the inception workshop. Day-to-day project monitoring is the responsibility of the project management team but other project partners will have responsibilities to collect specific information to track the indicators. It is the responsibility of the Project Manager to inform UNEP of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely fashion.
166. The National Coordination Committee will receive periodic reports on progress and will make recommendations to UNEP concerning the need to revise any aspects of the Results Framework or the M&E plan. Project oversight to ensure that the project meets UNEP and GEF policies and procedures is the responsibility to the Task Manager in UNEP-GEF. The Task Manager will also review the quality of draft project outputs, provide feedback to the project partners, and establish peer review procedures to ensure adequate quality of scientific and technical outputs and publications.
167. At the time of project approval baseline data is available for METT, RAPPAMM and Financial Sustainability Scorecards. Baseline data gaps (specifically at pilot sites) will be addressed during the first year of project implementation.
168. Project supervision will take an adaptive management approach. The Task Manager will develop a project supervision plan at the inception of the project which will be communicated to the project partners during the inception workshop. The emphasis of the Task Manager supervision will be on outcome monitoring but without neglecting project financial management and implementation monitoring. Progress vis-à-vis delivering the agreed project global environmental benefits will be assessed with the National Coordinating Committee at annual intervals. Project risks and assumptions will be regularly monitored both by project partners and UNEP. Risk assessment and rating is an integral part of the Project Implementation Review (PIR). The quality of project monitoring and evaluation will also be reviewed and rated as part of the PIR. Key financial parameters will be monitored quarterly to ensure cost-effective use of financial resources.
169. A mid-term management review or evaluation will take place at the end of year 2 as indicated in the project milestones. The review will include all parameters recommended by the GEF Evaluation Office for terminal evaluations and will verify information gathered through the GEF tracking tools, as relevant. The review will be carried out using a participatory approach whereby parties that may benefit or be affected by the project will be consulted. Such parties were identified during the stakeholder analysis (see section 2.5 of the project document). The project National Coordination Committee will participate in the mid-term review and develop a management response to the evaluation recommendations along with an implementation plan. It is the responsibility of the UNEP Task Manager to monitor whether the agreed recommendations are being implemented.

170. An independent terminal evaluation will take place at the end of project implementation. The Evaluation and Oversight Unit (EOU) of UNEP will manage the terminal evaluation process. A review of the quality of the evaluation report will be done by EOU and submitted along with the report to the GEF Evaluation Office not later than 6 months after the completion of the evaluation. The standard terms of reference for the terminal evaluation are included in Appendix 9. These will be adjusted to the special needs of the project.
171. The GEF tracking tools are attached as Appendix 15. These will be updated at mid-term and at the end of the project and will be made available to the GEF Secretariat along with the project PIR report. As mentioned above the mid-term and terminal evaluation will verify the information of the tracking tool.

SECTION 7: PROJECT FINANCING AND BUDGET

7.1 Overall project budget

172. The overall project budget is presented in detail in Appendix 1 (Budget by project components and UNEP budget lines) and Appendix 1 (Co-financing by source and UNEP budget lines). The numbered columns in both Appendices are project component numbers corresponding to project outputs as indicated in Table 7 below.

Table 7: Project Components and Outputs

Component Number	Outputs
1	Creation of sustainable funding mechanism for national protected area system
2	Strengthening and expanding the MPA network
	2.1 Assessment, scientific and technical analysis
	2.2 Legal and regulatory
	2.3 Capacity building and communications
	7.1 Pilot demonstration projects:
	7.1.1 Invasive alien species – Lionfish control in MPAs
	7.1.2 Incorporating climate change and mangrove restoration into conservation planning
	7.1.3 Development of a sustainable tourism model for an MPA
3	Monitoring and Evaluation
4	Project management

7.2 Project co-financing

173. The co-financing committed for the project includes commitments from national partners as summarized in the letter from the GEF Operational Focal Point as well as commitments from global partners. Global partners include The Nature Conservancy which has committed US\$2 Million to capitalize the BPAF and KfW which has committed US\$3 Million for capitalization of the BPAF as well. A summary of the co-financing for the project is indicated in Table 8 below.

Table 8: Summary of co-financing

<i>Name of co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Amount (\$)</i>
Bahamas Environment, Science and Technology (BEST) Commission	Nat'l Gov't	Grant	2,000,400
Bahamas Environment, Science and Technology (BEST) Commission	Nat'l Gov't	In-kind	306,000
Department of Marine Resources	Nat'l Gov't	Grant	400
Department of Marine Resources	Nat'l Gov't	In-kind	204,000
Bahamas National Trust	Nat'l NGO	Grant	400
Bahamas National Trust	Nat'l NGO	In-kind	125,000
The Nature Conservancy	Int'l NGO	Grant	2,000,400
The Nature Conservancy	Int'l NGO	In-kind	125,000
KfW	Development Bank	Grant	3,000,000
Total Co-financing			7,761,600

7.3 Project cost-effectiveness

174. The cost effectiveness of the project is best exhibited through the creation of the BPAF) and other sustainable financing mechanism. With the BPAF, an endowment fund will enable provision of funding into perpetuity for the BNPAS. With the capitalized with US\$12 Million and earning a return on investment of 5% annually, it will yield US\$600,000 per annum towards activities related to effective management of the system. Other sustainable financing mechanisms are expected to contribute additional capital to the BPAF or sustained sources of revenue for the BNPAS.
175. The demonstration pilots also aim to be cost effective by using targeted approaches on a small scale to find the best solutions to threats to protected areas in The Bahamas. The most successful interventions are then scaled rather than applying them at a large scale initially only to find some do not work. This is the approach used with the lionfish control pilot and the mangrove restoration component of the climate change pilot.
176. Cost effectiveness is also exhibited in the use of best available technologies to aid in conservation planning. Rather than conducting an expensive field exercise to collect coral reef ecological data, the climate change pilot proposes to build on existing baseline data and model for the impacts of climate change using proven methodologies and algorithms. These will be used to narrow the selection of potential sites for mangrove restoration and minimize time and cost in the field. Aerial imagery and local knowledge will help to further narrow best candidate sites for mangrove restoration, thus enabling the bulk of the funding to be utilized in actual restoration rather than searching for suitable restoration sites on the ground.
177. Cost effectiveness is also incorporated through train-the-trainer activities conducted for the SPAW MPA training and Reefcheck training for biodiversity monitoring. These train-the-trainer exercises will enable multiplication of skill sets within the country by orders of magnitude with local experts being able to train others rather than having to replicate training workshops by regional or international experts over and over again.

APPENDICES

Appendix 1: Budget by project components and UNEP budget lines

APPENDIX 1 - RECONCILIATION BETWEEN GEF ACTIVITY BASED BUDGET AND UNEP BUDGET LINE (GEF FUNDS ONLY US\$)

Project title: Building a Sustainable National Marine Protected Area Network – The Bahamas
 Project number:
 Project executing partner: Bahamas Environment, Science & Technology (BEST) Commission, Ministry of the Environment
 Project implementation period: Expenditure by project component/activity
 From: 31-Mar-10
 To: 28-Feb-14

UNEP Budget Line	1	2	3	4	Total	2010	2011	2012	2013	2014	Total
10 PERSONNEL COMPONENT											
1100 Project personnel											
1101 Full-time National Project Coordinator				130,000	130,000	27,083	32,500	32,500	32,500	5,417	130,000
1102					0						0
1103					0						0
1199 Sub-total	0	0	0	130,000	130,000	27,083	32,500	32,500	32,500	5,417	130,000
1200 Consultants											
1201 Legal consultant	10,000	10,000			20,000	20,000					20,000
1202 Investment consultant	23,500				23,500	23,500					23,500
1203 Conservation planning consultants		77,000	10,000		87,000	36,000	26,000	25,000			87,000
1204 Communications specialist		40,000			40,000			20,000	20,000		40,000
1299 Sub-total	33,500	127,000	10,000	0	170,500	79,500	26,000	45,000	20,000	0	170,500
1300 Administrative Support											
1301 Administrative assistant				6,000	6,000	1,000	1,500	1,500	1,500	500	6,000
1302					0						0
1303					0						0
1399 Sub-total	0	0	0	6,000	6,000	1,000	1,500	1,500	1,500	500	6,000
1600 Travel on official business											
1601 Local travel and subsistence				16,000	16,000	4,000	4,000	4,000	4,000		16,000
1602 International travel				10,000	10,000	2,500	2,500	2,500	2,500		10,000
1603					0						0
1699 Sub-total	0	0	0	26,000	26,000	6,500	6,500	6,500	6,500	0	26,000
1999 Component total	33,500	127,000	10,000	162,000	332,500	114,083	66,500	85,500	60,500	5,917	332,500
20 SUB-CONTRACT COMPONENT											
2100 Sub-contracts (MOUs/LOAs for cooperating agencies)											
2101 Bahamas National Trust (sustainable tourism)		320,000			320,000	104,000	104,000	104,000	8,000		320,000

2102 Department of Marine Resources (lionfish)		261,000			261,000	84,825	84,825	84,825	6,525		261,000
2103 The Nature Conservancy (climate change)		340,000			340,000	110,500	110,500	110,500	8,500		340,000
2199 Sub-total	0	921,000	0	0	921,000	299,325	299,325	299,325	23,025	0	921,000
2200 Sub-contracts (MOUs/LOAs for supporting organizations)											
2201					0						0
2202					0						0
2203					0						0
2299 Sub-total	0	0	0	0	0	0	0	0	0	0	0
2300 Sub-contracts (for commercial purposes)											
2301					0						0
2302					0						0
2303					0						0
2399 Sub-total	0	0	0	0	0	0	0	0	0	0	0
2999 Component total	0	921,000	0	0	921,000	299,325	299,325	299,325	23,025	0	921,000
30 TRAINING COMPONENT											
3200 Group training											
3201 SPAW MPA training		25,000			25,000	25,000					25,000
3202 Reefcheck training			51,000		51,000	51,000					51,000
3203 Management effectiveness training			5,000		5,000	5,000					5,000
3299 Sub-total	0	25,000	56,000	0	81,000	81,000	0	0	0	0	81,000
3300 Meetings/Conferences											
3301 MPA planning meetings		20,000			20,000		5,000	5,000	10,000		20,000
3302 Management effectiveness meetings			10,000		10,000		5,000		5,000		10,000
3303 Financial sustainability meetings			7,500		7,500	2,500		2,500		2,500	7,500
3304 Bahamas PA fund meetings	10,000				10,000	5,000	5,000				10,000
3399 Sub-total	10,000	20,000	17,500	0	47,500	7,500	15,000	7,500	15,000	2,500	47,500
3999 Component total	10,000	45,000	73,500	0	128,500	88,500	15,000	7,500	15,000	2,500	128,500
40 EQUIPMENT AND PREMISES COMPONENT											
4100 Expendable equipment											
4101 Field & office supplies for project management				3,000	3,000	1,200	600	600	600		3,000
4102					0						0
4103					0						0
4199 Sub-total	0	0	0	3,000	3,000	1,200	600	600	600	0	3,000
4200 Non-expendable equipment											

4201 Computer, printer, projector, camera				8,000	8,000	8,000					8,000
4202 GIS data & equipment, satellite imagery		40,000			40,000	40,000					40,000
4203					0						0
4299 Sub-total	0	40,000	0	8,000	48,000	48,000	0	0	0	0	48,000
4999 Component total	0	40,000	0	11,000	51,000	49,200	600	600	600	0	51,000
50 MISCELLANEOUS COMPONENT											
5100 Operation and maintenance of equipment											
5101					0						0
5102					0						0
5103					0						0
5199 Sub-total	0	0	0	0	0	0	0	0	0	0	0
5200 Reporting costs											
5201 Annual audits				9,000	9,000	2,250	2,250	2,250	2,250	0	9,000
5202 Final audit				10,000	10,000					10,000	10,000
5203					0						0
5299 Sub-total	0	0	0	19,000	19,000	2,250	2,250	2,250	2,250	10,000	19,000
5300 Sundry											
5301 Bahamas PA Fund capitalization	500,000	0	0	0	500,000	500,000	0	0	0		500,000
5302 MPA capacity building		210,000			210,000	78,750	78,750	52,500			210,000
5303 Sundry				3,000	3,000	750	750	750	750		3,000
5399 Sub-total	500,000	210,000	0	3,000	713,000	579,500	79,500	53,250	750	0	713,000
5400 Hospitality and entertainment											
5401					0						0
5402					0						0
5403					0						0
5499 Sub-total	0	0	0	0	0	0	0	0	0	0	0
5500 Evaluation											
5501 Mid-term evaluation			15,000		15,000			15,000			15,000
5502 Terminal evaluation			20,000		20,000					20,000	20,000
5581					0						0
5599 Sub-total	0	0	35,000	0	35,000	0	0	15,000	0	20,000	35,000
5999 Component total	500,000	210,000	35,000	22,000	767,000	581,750	81,750	70,500	3,000	30,000	767,000
99 GRAND TOTAL	543,500	1,343,000	118,500	195,000	2,200,000	1,132,858	463,175	463,425	102,125	38,417	2,200,000

Appendix 2: Co-financing by source and UNEP budget lines

APPENDIX 2 - RECONCILIATION BETWEEN GEF BUDGET AND CO-FINANCE BUDGET (TOTAL GEF & CO-FINANCE US\$)

Project title: Building a Sustainable National Marine Protected Area Network – The Bahamas
 Project number:
 Project executing partner: Bahamas Environment, Science & Technology (BEST) Commission, Ministry of the Environment
 Project implementation period:
 From: **March 31, 2010**
 To: **Feb. 28, 2014**

UNEP Budget Line		GEF Cash		BEST Commission		DMR		BNT		TNC		KfW		Total	
		A	B	C	D	E	F	G	H	I	J	K	A+B+D+F+H+J	C+E+G+I+K	
10	PERSONNEL COMPONENT														
1100	Project personnel														
1101	Full-time National Project Coordinator	130,000												130,000	0
1102														0	0
1199	Sub-total	130,000	0	0	0	0	0	0	0	0	0	0	0	130,000	0
1200	Consultants														
1201	Legal consultant	20,000		20,000										20,000	20,000
1202	Investment consultant	23,500		10,000										23,500	10,000
1203	Conservation planning consultants	87,000				10,000		10,000				5,000		87,000	25,000
1204	Communications specialist	40,000				10,000								40,000	10,000
1299	Sub-total	170,500	0	30,000	0	20,000	0	10,000	0	5,000	0	0	0	170,500	65,000
1300	Administrative support														
1301	Administrative assistant	6,000		100,000										6,000	100,000
1302	Communications			12,000										0	12,000
1399	Sub-total	6,000	0	112,000	0	0	0	0	0	0	0	0	0	6,000	112,000
1600	Travel on official business														
1601	Local travel and subsistence	16,000		5,000		10,000		10,000						16,000	25,000
1602	International travel	10,000												10,000	0
1699	Sub-total	26,000	0	5,000	0	10,000	0	10,000	0	0	0	0	0	26,000	25,000
1999	Component total	332,500	0	147,000	0	30,000	0	20,000	0	5,000	0	0	0	332,500	202,000

20	SUB-CONTRACT COMPONENT													
	2100 Sub-contracts (for cooperating agencies)													
	2101 Bahamas National Trust (sustainable tourism)	320,000						85,000				320,000	85,000	
	2102 Department of Marine Resources (lionfish)	261,000			69,000							261,000	69,000	
	2103 The Nature Conservancy (climate change)	340,000							91,000			340,000	91,000	
	2199 Sub-total	921,000	0	0	0	69,000	0	85,000	0	91,000	0	921,000	245,000	
	2200 Sub-contracts (for supporting organizations)													
	2201											0	0	
	2202											0	0	
	2299 Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	
	2300 Sub-contracts (for commercial purposes)													
	2301											0	0	
	2302											0	0	
	2399 Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	
2999	Component total	921,000	0	0	0	69,000	0	85,000	0	91,000	0	921,000	245,000	
30	TRAINING COMPONENT													
	3200 Group training													
	3201 SPAW MPA training	25,000		500		500		1,500		500		25,000	3,000	
	3202 Reefcheck training	51,000	400	8,000	400	15,000	400	8,000	400	10,500		52,600	41,500	
	3203 Management effectiveness training	5,000		500		500		500		2,300		5,000	3,800	
	3299 Sub-total	81,000	400	9,000	400	16,000	400	10,000	400	13,300	0	82,600	48,300	
	3300 Meetings/Conferences													
	3301 MPA planning meetings	20,000		500		500		650		500		20,000	2,150	
	3302 Management effectiveness meetings	10,000		500		500		1,000		500		10,000	2,500	
	3303 Financial sustainability meetings	7,500		500		500		1,500		500		7,500	3,000	
	3304 Bahamas PA Fund meetings	10,000		500		500		650		500		10,000	2,150	
	3399 Sub-total	47,500	0	2,000	0	2,000	0	3,800	0	2,000	0	47,500	9,800	
3999	Component total	128,500	400	11,000	400	18,000	400	13,800	400	15,300	0	130,100	58,100	

40	EQUIPMENT AND PREMISES COMPONENT													
4100	Expendable equipment													
4101	Field & office supplies for project management	3,000		5,000								3,000	5,000	
4102	Field & office supplies for other components			4,000	5,000		2,500					0	11,500	
4199	Sub-total	3,000	0	9,000	0	5,000	0	2,500	0	0	0	0	3,000	16,500
4200	Non-expendable equipment													
4201	Computer, printer, projector, camera	8,000		10,000								8,000	10,000	
4202	GIS data & equipment, satellite imagery	40,000		8,000						10,000		40,000	18,000	
4299	Sub-total	48,000	0	18,000	0	0	0	0	0	10,000	0	0	48,000	28,000
4300	Premises													
4301	Office space & utilities			72,000								0	72,000	
4302	Transportation			7,200								0	7,200	
4399	Sub-total	0	0	79,200	0	0	0	0	0	0	0	0	79,200	
4999	Component total	51,000	0	106,200	0	5,000	0	2,500	0	10,000	0	0	51,000	123,700
50	MISCELLANEOUS COMPONENT													
5100	Operation and maintenance of equipment													
5101												0	0	
5102												0	0	
5199	Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	
5200	Reporting costs													
5201	Quarterly reporting	9,000		6,400	3,200		3,200			3,200		9,000	16,000	
5202	Terminal reports	10,000		1,000	500		500			500		10,000	2,500	
5299	Sub-total	19,000	0	7,400	0	3,700	0	3,700	0	3,700	0	0	19,000	18,500
5300	Sundry													
5301	Bahamas PA Fund capitalization	500,000	2,000,000	20,000					2,000,000		3,000,000	7,500,000	20,000	
5302	MPA capacity building	210,000				78,300						210,000	78,300	
5303	Sundry	3,000		3,000								3,000	3,000	
5399	Sub-total	713,000	2,000,000	23,000	0	78,300	0	0	2,000,000	0	3,000,000	0	7,713,000	101,300
5400	Hospitality and Entertainment													
5401												0	0	
5402												0	0	

5499	Sub-total	0	0	0	0	0	0	0	0	0	0	0	0
5500	Evaluation												
5501	Mid-term evaluation	15,000		3,800								15,000	3,800
5581	Terminal evaluation	20,000		7,600								20,000	7,600
5599	Sub-total	35,000	0	11,400	0	0	0	0	0	0	0	35,000	11,400
5999	Component total	767,000	2,000,000	41,800	0	82,000	0	3,700	2,000,000	3,700	3,000,000	0	7,767,000
99	GRAND TOTAL	2,200,000	2,000,400	306,000	400	204,000	400	125,000	2,000,400	125,000	3,000,000	0	9,201,600

Appendix 3: Incremental cost analysis

Component	Cost in US\$		
	Baseline	Alternative	Increment
1. Creation of sustainable funding mechanism for the national protected area system	Draft BAPF Act and bylaws developed and consultations held with stakeholders. Governance structure drafted and consultations held with stakeholders, particularly those agencies which would be represented on the Board of Directors. Existing legal framework does not facilitate sustainable financing for BNPAS. Limited work done on additional sustainable finance mechanisms.	Approved BPAF operational. Goals of Investment Policy and Fundraising Strategy achieved. 5-Year Business Plan completed. Complementary sources of conservation finance operational. Operational Manual operational and reviewed regularly.	Advanced detailing of legal and administrative structure of BPAF (and endorsement by the Government of The Bahamas). Implementation of an Asset Management Policy and Fundraising Strategy. Development and implementation of a 5-Year Business Plan. Development of complementary sources of conservation finance. Production of an Operational Manual outlining the legislative, financial and administrative structure of the BPAF.
	GEF 25,000	GEF 568,500	GEF 543,500
	Bahamas 18,000	Bahamas 7,070,150	Bahamas 7,052,150
	Component total 43,000	Component total 7,638,650	Component total 7,595,650
2. Strengthening and expanding the MPA network			
	GEF 8,000	GEF 1,351,000	GEF 1,343,000
	Bahamas 69,900	Bahamas 462,850	Bahamas 392,950
	Component total 77,900	Component total 1,813,850	Component total 1,735,950
2.1 Assessment, scientific and	Ecological Gap Analysis	Priority MPA sites identified and	Collection and analysis of updated

Component	Cost in US\$				
	Baseline		Alternative		Increment
technical analysis	completed using MARXAN at national level to identify potential marine reserve sites using a combination of known GIS boundaries, existing maps, interviews and anecdotal information.		mapped; sites included in management planning process and revised Master Plan for BNPAS.		data on priority ecosystems for input into siting decisions, inclusion in management plans and in revised Master Plan.
	GEF	1,000	GEF	78,000	GEF 77,000
	Bahamas	20,000	Bahamas	50,500	Bahamas 30,500
	Component total	21,000	Component total	128,500	Component total 107,500
2.2 Legal and regulatory	<p>3 marine reserves with boundaries formally established by GOB.</p> <p>Initial marine reserves are all no-take.</p> <p>Management planning process has begun for South Berry Islands Marine Reserve.</p>		<p>Marine Reserve Network expanded to include priority areas as identified through Ecological Gap Analysis and project activities.</p> <p>Zoning plans developed for current reserves (as of Year 4 of the project) in the network and tools developed (e.g. GIS maps) for inclusion of network in national land use planning process.</p> <p>Management plans developed for 5% of the nearshore and shelf marine habitat, implemented and revised regularly.</p>		<p>Legal decrees drafted and approved for expansion of Marine Reserve Network based on existing Ecological Gap Analysis for The Bahamas (and regionally coordinated priorities).</p> <p>Zoning for marine reserves detailed and incorporated into national land use planning process, adopted and approved by the Department of Marine Resources and Ministry of the Environment.</p> <p>Management plans, including zoning and regulatory framework to be developed for 5% of the nearshore and shelf marine habitat within the Marine Reserve</p>

Component	Cost in US\$				
	Baseline		Alternative		Increment
				Network.	
	GEF	500	GEF	70,500	GEF 70,000
	Bahamas	5,000	Bahamas	31,150	Bahamas 26,150
	Component total	5,500	Component total	101,650	Component total 96,150
2.3 Capacity building and communications	Insufficient staffing, infrastructure and funding mechanisms for marine reserve management. Capacity assessment and Action Plan completed for BNPAS. Limited training opportunities for MPA personnel and BPAF beneficiaries (most often outside of the country through external funding). Communication Plan being developed for South Berry Islands Marine Reserve.		Sufficient staffing, infrastructure and funding mechanisms functional with plan to fill resource needs for 20% of marine habitat by 2020. MPA personnel and BPAF beneficiaries have improved skills for MPA management. Increased awareness of MPAs and their benefits across all sectors of Bahamian society. Relevant aspects of demonstration projects scaled up across MPAs of The Bahamas.		Staffing, infrastructure and funding mechanisms established for 5% of the nearshore and shelf marine habitat as identified in the Master Plan. Training programs developed and implemented for MPA personnel and BPAF beneficiaries in collaboration with the SPAW Training of Trainers Programme on MPA management. National Communications Strategy, including knowledge management, developed and implemented with added intent of scaling up successful demonstration projects.
	GEF	5,000	GEF	280,000	GEF 275,000
	Bahamas	12,900	Bahamas	104,200	Bahamas 91,300
	Component total	17,900	Component total	384,200	Component total 366,300
2.4 Pilot demonstration projects					
2.4(1) Invasive alien species –	Removal of lionfish occurring		Successful removal technique		Execution of a population control

Component	Cost in US\$		
	Baseline	Alternative	Increment
Lionfish control in MPAs	sporadically throughout The Bahamas. Limited analysis of lionfish stomach contents occurring. Invasion pathway of lionfish uncertain.	identified for scaling up across MPAs and other sites in the Bahamian archipelago. Native fish species impacted as prey and competitors by lionfish identified. Confirmation of whether ballast water is an invasion pathway. Appropriate control measures developed.	experiment to determine which removal techniques and frequency are most effective at controlling lionfish (<i>Pterois volitans</i>) populations at selected sites within the South Berry Islands Marine Reserve. Stomach contents of lionfish removed for analysis to determine fish species and sizes they prey on and thus which native species they also compete with for food. Determine whether ballast water is an invasion pathway for lionfish into The Bahamas.
	GEF 500	GEF 261,500	GEF 261,000
	Bahamas 30,000	Bahamas 99,000	Bahamas 69,000
	Component total 30,500	Component total 360,500	Component total 330,000
2.4(2) Incorporating climate change and mangrove conservation into conservation planning	Limited data available on reef ecological dynamics. Some models, algorithms and maps exist which predict changes in sea surface temperature across The Bahamas. Limited knowledge available on potential mangrove restoration sites.	Greater understanding of local coral reef ecological dynamics. Models, algorithms and maps developed to predict climate change impacts on coral reefs for use in MPA planning. Mangrove restoration sites identified and restoration activities conducted at select areas in ECLSP.	Field data collection on local coral reef ecological dynamics. Implementation of models, algorithms and maps to predict climate change impacts on coral reefs, the importance of mangrove nursery habitats and identification of restoration sites. Placement of maps onto Online

Component	Cost in US\$		
	Baseline	Alternative	Increment
	Maps not available online. A few mangrove restoration activities have occurred, but not in a coordinated manner and not with connectivity to corals and adaptation as goals of the restoration.	Maps available online as planning tool for MPA managers and other key stakeholders.	GIS system. Mangrove restoration activities.
	GEF 500 Bahamas 1,000 Component total 1,500	GEF 340,500 Bahamas 92,000 Component total 432,500	GEF 340,000 Bahamas 91,000 Component total 431,000
2.4(3) Development of a sustainable tourism model for an MPA	Sustainable tourism guidelines exist but are not being implemented or promoted. No sustainable tourism models exist for MPAs or any other sites in The Bahamas. Limited to no training available for local communities interested in pursuing sustainable tourism activities as a means of employment. No business plans or sustainable financing mechanisms exist for sustainable tourism opportunities for local communities.	Resource thresholds utilized in development of sustainable tourism model; methodologies to be utilized across MPAs. Sustainable tourism model to be utilized as a template for other MPAs in The Bahamas (potentially in the region as well as internationally). Local community members possess increased skills to pursue sustainable tourism activities as a means of employment or revenue generation. Business plan executed and sustainable finance mechanisms	Establishment of resource thresholds for a sustainable tourism model. Development of the components of a sustainable tourism model for the MPA and adjacent developments inclusive of: e. tourism management strategies f. design and construction of facilities and infrastructure g. management of waste streams h. identification of options for sustainable tourism activities. Training of the local community in skills to engage in sustainable tourism activities.

Component	Cost in US\$		
	Baseline	Alternative	Increment
		operational.	Development of a business plan and means of sustainable finance.
	GEF 500	GEF 320,500	GEF 320,000
	Bahamas 1,000	Bahamas 86,000	Bahamas 85,000
	Component total 1,500	Component total 406,500	Component total 405,000
3. Monitoring and evaluation	RAPPAM completed for some PAs in 2007. No standard biodiversity indicators or management effectiveness indicators in place for BNPAS. Limited to no skills amongst MPA personnel and BPAF beneficiaries in monitoring.	Management effectiveness improves during project. Regular monitoring of biodiversity and management effectiveness occurs to determine success of project interventions; monitoring continues once project is completed. MPA personnel and BPAF beneficiaries have increased skill set in monitoring techniques to be utilized across marine reserve network.	Management effectiveness monitored in calendar years 1, 3 and 5 of the project using RAPPAM and METT tools. Monitoring of biodiversity indicators and management effectiveness indicators of project interventions. Training for MPA personnel and BPAF beneficiaries in monitoring techniques.
	GEF 17,000	GEF 135,500	GEF 118,500
	Bahamas 8,000	Bahamas 71,800	Bahamas 63,800
	Component total 25,000	Component total 207,300	Component total 182,300
4. Project management	No project activity.	All project activities completed on time and outputs delivered. All monitoring and evaluation targets met and all evaluations completed.	Project implemented according to budget and detailed workplan in a cost-effective and timely manner.

Component	Cost in US\$					
	Baseline		Alternative		Increment	
	GEF	0	GEF	195,000	GEF	195,000
	Bahamas	0	Bahamas	252,700	Bahamas	252,700
	Component total	0	Component total	447,700	Component total	447,700
TOTAL	GEF	50,000	GEF	2,250,000	GEF	2,200,000
	Bahamas	95,900	Bahamas	7,857,500	Bahamas	7,761,600
GRAND TOTAL		145,900		10,107,500		9,961,600

Appendix 4: Results Framework

	Indicator	Baseline conditions	Mid-term target	End of project target	Means of verification	Risks and assumptions
Objective: To expand protected area coverage of globally significant marine biodiversity and increase the management effectiveness of the national MPA Network	MPA coverage in ha Management Effectiveness Tracking Tool (METT) Score	154,010.93 hectares (see Outcome 3 for baseline METT)	To be established at Project Inception	Expansion of MPA Network to 10% (2.5 million ha total) METT scores increased by 50%	Declaration of new MPAs Mid term and Final METT reports	
COMPONENT 1						
Outcome 1. Funding gap of \$7.0 Million reduced by 10-20% through BPAF revenue and other sources of conservation finance	Reduction in the gap between available funding (Government PA expenditures, Bahamas National Trust, BPAF, and complementary conservation finance sources) and needs Financial Sustainability Score Card	\$2.75 million per annum (government) = Gap of \$7.0 million Financial Sustainability Score = 41 (21%)	To be established at Project Inception	\$500,000-\$1.0 million generated annually by BPAF revenue and complementary conservation finance sources Financial Sustainability Score increased 10-20%	BPAF Financial Reports and projections and progress reports on financing generated by complementary finance sources.	Enabling political environment. PA management agencies recognize the long-term benefits of BPAF. PA management agencies participate in BAPF establishment and operation.
COMPONENT 2						

	Indicator	Baseline conditions	Mid-term target	End of project target	Means of verification	Risks and assumptions
Outcome 2. Bahamas MPA Network is expanded to 10 % of representative marine ecosystems (about 2.5 million hectares ⁴)	MPA coverage in hectares	154,010.93 hectares	To be established at Project Inception	MPA coverage = 2.5 million hectares	Declaration of new MPAs	Reduction in government commitment to Caribbean Challenge goals
Outcome 3. Management effectiveness of protected areas is significantly (50%) and measurably improved by project end	Management effectiveness monitored in calendar years 1, 3 and 5 of the project using RAPPAM and METT tools.	METT/MARINE METT: Total PAs: 27 Total points scored: 1383 Total possible points: 4212 Index of management effectiveness (points scored/possible points): 0.328 RAPPAM/METT/MARINE COMBINED: Total PAs: 27 Total points scored: 2338 Total possible points: 7047 Index of management effectiveness (points scored/possible points): 0.331	To be established at Project Inception	Index needed for 50% improvement: an index of 0.49 across the system Index needed for 50% improvement: an index of 0.48 across the system	Mid Term and Final RAPPAM And METT reports	

⁴ It should be noted that The Bahamas is currently in the process of reviewing its maritime boundaries to determine if the Exclusive Economic Zone should be included. If the boundaries are expanded, this would mean the marine area of the country would increase to 241,120 square miles from 100,000 square miles. 10% conservation of marine habitat would mean that about 6 million hectares would need to be protected instead of 2.5 million. 20% conservation would mean protection of 12 million hectares instead of 5 million.

	Indicator	Baseline conditions	Mid-term target	End of project target	Means of verification	Risks and assumptions
Outcome 4. Pilot Sites demonstrate (a) statistically significant lionfish decrease (using experimental approach); (b) statistically significant improvement in overall health of coral reef (coral cover, fish diversity); socio economic indicators, governance indicators, and reduction in vulnerability.	Indicators at pilot sites: (a) Lionfish intervention (intervention and control): i. lionfish abundance; ii. species presence (in lionfish stomach); iii. predator and prey abundance; iv. overall reef health (b) incorporating CC and mangrove restoration into MPA planning: i. number of management plans incorporating CC; ii. Amount of mangrove restored. c) Sustainable Tourism/MPA: i. improved reef health; and socio economic and governance indicators (see prodoc text);	No Best Practices available for this type of intervention in The Bahamas. Site specific baseline indicator data to be obtained by end year 1.		Statistically significant reduction in lionfish and improvement in reef health at pilot sites. Lessons learned and Best Practices from 3 pilots incorporated into a) Communications Strategy and dissemination products and b) criteria to access BPAF resources (as appropriate)	Communications Strategy BPAF Access Criteria	
COMPONENT 3						
Outcome 5. Established and sustainable monitoring and evaluation system established and functioning for existing and newly established Marine	Biodiversity indicator species, sentinel sites and management effectiveness indicators of project interventions.	No standard biodiversity indicators or management effectiveness indicators in place for BNPAS. Limited to no skills amongst MPA personnel and BPAF beneficiaries in monitoring.	Monitoring and evaluation proceeding according to workplan.	Monitoring for biodiversity and management effectiveness standard practice within MPAs within the BNPAS; results of monitoring utilized in adaptive	All monitoring and evaluation targets met. Audits, mid-term and terminal evaluations completed.	Baseline data collected in a timely fashion. PA management agencies motivated to participate in data collection, analysis and utilization in their

	Indicator	Baseline conditions	Mid-term target	End of project target	Means of verification	Risks and assumptions
Protected Areas (MPAs) and project indicators.				<p>management.</p> <p>Management effectiveness monitored throughout the project as per workplan and shows improvement over project life cycle.</p> <p>Skill set amongst PA management agencies' staff improved for monitoring techniques for biodiversity and management effectiveness.</p>		planning processes.

Appendix 5: Workplan and timetable

Component	Activities	2010	2011	2012	2013	2014
1	Creation of sustainable funding mechanisms for the national protected area system					
2	Strengthening and expanding the MPA network					
	2.1 Assessment, scientific and technical analysis					
	2.2 Legal and regulatory activities					
	2.3 Capacity building and communications					
	2.4 Pilot demonstration projects:					
	2.4(1) Invasive alien species – Lionfish control in MPAs					
	2.4(2) Incorporating climate change and mangrove restoration into conservation planning					
2.4(3) Development of a sustainable tourism model for an MPA						
3	Monitoring and evaluation					
4	Project management					
	4.1 Establishment of NCC					
	4.2 Selection and appointment of NPC					
	4.3 Project management unit operational					
	4.3 Selection of subject matter specialists, experts and consultants					

Appendix 6: Key deliverables and benchmarks

Component	Activities	Deliverables	Benchmarks
1	Creation of sustainable funding mechanisms for the national protected area system	<p>BPAF Act enacted by Parliament. Bylaws approved by BPAF Board of Directors.</p> <p>Governance structure approved and operationalized.</p> <p>BPAF operational.</p> <p>At least one other sustainable finance mechanism functional.</p>	<p>BPAF Act drafted and circulated for stakeholder consultation; comments incorporated and submitted to Cabinet for review and approval.</p> <p>Bylaws drafted and circulated to Board of Directors for review and approval.</p> <p>Fund established and Board of Directors appointed.</p> <p>Other sustainable finance mechanism established.</p>
2	Strengthening and expanding the MPA network		
	2.1 Assessment, scientific and technical analysis	Data collected, analysed and utilized in MPA planning.	Data compiled, analyzed and shared with PA management agencies.
	2.2 Legal and regulatory activities	<p>5% of the nearshore and shelf marine habitat effectively conserved.</p> <p>Management plans, including zoning and regulatory framework to be developed for 5% of the nearshore and shelf marine habitat within the Marine Reserve Network.</p>	<p>Marine Reserve Network expanded beyond current level and boundary information provided to PA management agencies and general public.</p> <p>Management plans developed and reviewed by stakeholders; approved plans shared with stakeholders and the general public.</p>
	2.3 Capacity building and	Staffing, infrastructure and funding	Staffing and infrastructure increase;

	communications	<p>mechanisms established for 5% of the nearshore and shelf marine habitat.</p> <p>Training programs developed and implemented for MPA personnel and BPAF beneficiaries in collaboration with the SPAW Training of Trainers Programme on MPA management.</p> <p>National Communications Strategy, including knowledge management, developed and implemented with added intent of scaling up successful demonstration pilots.</p>	<p>funding mechanisms developed in consultation with stakeholders and implemented.</p> <p>Training program material shared with PA management agencies and other relevant stakeholders; documentation of staff training provided, e.g. certification.</p> <p>Strategy drafted and circulated for review to stakeholders; approved Strategy disseminated to stakeholders.</p>
	2.4 Pilot demonstration projects:		
	2.4(1) Invasive alien species – Lionfish control in MPAs	Findings and conclusions of experiment documented.	Results of experiments shared with stakeholders.
	2.4(2) Incorporating climate change and mangrove restoration into conservation planning	<p>Field data collected on local coral reef ecological dynamics.</p> <p>Implementation of models, algorithms and maps to predict climate change impacts on coral reefs, the importance of mangrove nursery habitats and identification of restoration sites.</p> <p>Placement of maps onto Online GIS system.</p> <p>Mangrove restoration activities completed.</p>	<p>Data, results of models and algorithms, and maps compiled and shared with stakeholders.</p> <p>Maps made available online for ease of access by stakeholders.</p> <p>Documentation of mangrove restoration activities and sharing of lessons learned with stakeholders and the general public.</p>
	2.4(3) Development of a sustainable tourism model for	Development of the components of a sustainable tourism model for the MPA and adjacent developments	Sustainable tourism model and lessons learned shared with stakeholders and the

	an MPA	Training of the local community in skills to engage in sustainable tourism activities. Development of a business plan and means of sustainable	general public. Training material shared with Ministry of Tourism, Local Government and other relevant stakeholders; documentation of training provided, e.g. certification.
3	Monitoring and evaluation	Management effectiveness monitored throughout the project as per workplan and shows improvement over project life cycle. Skill set amongst PA management agencies' staff improved for monitoring techniques for biodiversity and management effectiveness. Monitoring for biodiversity and management effectiveness standard practice within MPAs within the BNPAS; results of monitoring utilized in adaptive management.	ME tracking tool updated in Years 1, 3 and end of Year 4. Staff skills assessed prior to and after completion of training to track improvement. Training material shared with stakeholders; documentation of training provided, e.g. certification. Monitoring results documented and shared with stakeholders.
4	Project management		
	4.1 Establishment of NCC	Regular meetings of NCC	Minutes of the meetings documented, approved and circulated to NCC members.
	4.2 Selection and appointment of NPC	NPC coordinates reporting for the project as per project document and workplan.	Regular reporting on progress of project implementation including financial reports.
	4.3 Project management unit operational	Regular coordination meetings with NEA, NCC and NPC.	Minutes of meeting documented, approved and circulate to participants.
	4.3 Selection of subject matter specialists, experts and consultants	Deliverables as assigned to each as per their TORs.	Regular reporting to NPC and documentation of deliverables as per TORs.

Appendix 7: Costed M&E plan

	Indicator	Baseline conditions	Mid-term target	End of project target	Means of verification	Responsibility	Time Frame	Budget
COMPONENT 1								
Outcome 1. Funding gap of \$7.0 Million reduced by 10-20% through BPAF revenue and other sources of conservation finance	Reduction in the gap between available funding (Government PA expenditures, Bahamas National Trust, BPAF, and complementary conservation finance sources) and needs Financial Sustainability Score Card	\$2.75 million per annum (government) = Gap of \$7.1 million Financial Sustainability Score = 41 (21%)	To be established at Project Inception	\$500,000-\$1.0 million generated annually by BPAF revenue and complementary conservation finance sources Financial Sustainability Score increased 10-20%	BPAF Financial Reports and projections and progress reports on financing generated by complementary finance sources.	National Project Coordinator in consultation with NEA, NCC, and relevant stakeholders Independent MTE and TE Teams	Every 6 months	Part of BPAF component budget
COMPONENT 2								
Outcome 2. Bahamas MPA Network is expanded to 10 % of representative marine ecosystems (about 2.5 million	MPA coverage in hectares	154,011 hectares	To be established at Project Inception	MPA coverage = 2.5 million hectares	Declaration of new MPAs	Independent TE Team	End year, ⁴	TE Budget Total \$27,600

⁵ It should be noted that The Bahamas is currently in the process of reviewing its maritime boundaries to determine if the Exclusive Economic Zone should be included. If the boundaries are expanded, this would mean the marine area of the country would increase to 241,120 square miles from 100,000 square miles.

hectares ⁵)								
Outcome 3. Management effectiveness of protected areas is significantly (50%) and measurably improved by project end	Management effectiveness monitored in calendar years 1, 3 and 5 of the project using RAPPAM and METT tools.	METT/MARINE METT: Total PAs: 27 Total points scored: 1383 Total possible points: 4212 Index of management effectiveness (points scored/possible points): 0.328 RAPPAM/METT/MARINE COMBINED: Total PAs: 27 Total points scored: 2338 Total possible points: 7047 Index of management effectiveness (points scored/possible points): 0.331	To be established at Project Inception	Index needed for 50% improvement: an index of 0.49 across the system Index needed for 50% improvement: an index of 0.48 across the system	Mid Term and Final RAPPAM And METT reports	National Project Coordinator in consultation with NEA, NCC, and relevant stakeholders Independent MTE and TE Teams	<i>End year 2, 4</i>	Quarterly reporting budget \$25,000 and Terminal Reporting budget \$12,500 MTE and TE budget total \$45,400
Outcome 4. Pilot Sites demonstrate (a) statistically significant lionfish decrease (using experimental approach); (b) statistically significant improvement in overall health of coral reef (coral cover, fish diversity); socio economic indicators, governance	Indicators at pilot sites: (a) Lionfish intervention (intervention and control): i. lionfish abundance; ii. species presence (in lionfish stomach); iii. predator and prey abundance; iv. overall reef health	No Best Practices available for this type of intervention in The Bahamas. Site specific baseline indicator data to be obtained by end year 1.		Statistically significant reduction in lionfish and improvement in reef health at pilot sites. Lessons learned and Best Practices from 3 pilots incorporated into a) Communications Strategy and dissemination products and b)	Communications Strategy BPAF Access Criteria Pilot Site Progress reports	National Project Coordinator in consultation with NEA, NCC, and relevant stakeholders Independent MTE and TE Teams	<i>Every 6 months, starting end year 1</i>	Quarterly reporting budget \$25,000 and Terminal Reporting budget \$12,500 MTE and TE budget total \$45,400

10% conservation of marine habitat would mean that about 6 million hectares would need to be protected instead of 2.5 million. 20% conservation would mean protection of 12 million hectares instead of 5 million.

indicators, and reduction in vulnerability.	(b) incorporating CC and mangrove restoration into MPA planning: i. number of management plans incorporating CC; ii. Amount of mangrove restored. c) Sustainable Tourism/MPA: i. improved reef health; and socio economic and governance indicators (see prodoc text);			criteria to access BPAF resources (as appropriate)				
COMPONENT 3								
<i>Outcome 5. Established and sustainable monitoring and evaluation system established and functioning for existing and newly established Marine Protected Areas (MPAs) and project indicators.</i>	Biodiversity indicator species, sentinel sites and management effectiveness indicators of project interventions.	No standard biodiversity indicators or management effectiveness indicators in place for BNPAS. Limited to no skills amongst MPA personnel and BPAF beneficiaries in monitoring.	Monitoring and evaluation proceeding according to workplan.	Monitoring for biodiversity and management effectiveness standard practice within MPAs within the BNPAS; results of monitoring utilized in adaptive management. Management effectiveness monitored throughout the project as per workplan and shows improvement over	All monitoring and evaluation targets met. Audits, mid-term and terminal evaluations completed.	National Project Coordinator Independent MTE and TE Teams	Every 6 months starting end year 1	MTE and TE budget total \$45,400 Audit budget \$19,000

				project life cycle. Skill set amongst PA management agencies' staff improved for monitoring techniques for biodiversity and management effectiveness.				
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Appendix 8: Summary of reporting requirements and responsibilities

	Due Date	Format appended to legal instrument as	Responsibility
Procurement plan	2 weeks before project inception meeting	N/A	NPC in conjunction with NEA
Inception report	1 month after project inception meeting	N/A	NPC
Expenditure report accompanied by explanatory notes	Quarterly on or before the following dates each year – 30 April, 31 July, 31 October, and 31 January	Annex	NPC in conjunction with NEA
Cash advance request and details of anticipated disbursements	Quarterly as indicated above for expenditure report or as required	Annex	NPC in conjunction with NEA
Progress report	Half-yearly on or before 31 January and 31 July	Annex	NPC
Audited report for annual expenditures ending 31 December of each year	Yearly on or before 30 June	N/A	Contracted auditor providing report to NEA
Inventory of non-expendable equipment	Yearly on or before 31 January	Annex	NPC in conjunction with NEA
Co-financing report	Yearly on or before 31 July	Annex	NPC in conjunction with NEA and NCC
Project implementation review (PIR) report	Yearly on or before 31 August	Annex	NPC, Task Manager, DGEF, Fund Management Officer (FMO), DGEF
Minutes of NCC meetings	Yearly or as relevant	N/A	NPC
Mission reports and aide memoire for NEA	Within 2 weeks of return	N/A	Task Manager, DGEF, FMO, DGEF
Final report	2 months following project completion date	Annex	NPC in conjunction with NEA
Final inventory of non-expendable equipment		Annex	NPC in conjunction with NEA
Equipment transfer letter		Annex	NPC in conjunction with NEA
Final expenditure statement	3 months following project completion date	Annex	NPC in conjunction with NEA
Mid-term evaluation	Midway through project	N/A	UNEP Evaluation and Oversight Unit (EOU)

Final audited report for project expenditures	6 months following project completion date	N/A	Contracted auditor providing report to NEA
Independent terminal evaluation report	6 months following project completion date	Appendix ? to Annex	UNEP Evaluation and Oversight Unit (EOU)

Appendix 9: Standard Terminal Evaluation TOR
Terminal Evaluation of the UNEP GEF project {Title}

1. PROJECT BACKGROUND AND OVERVIEW

Project rationale

The objective was stated as:

The indicators given in the project document for this stated objective were:

Relevance to GEF Programmes

The project is in line with:

Executing Arrangements

The implementing agency(ies) for this project was (were) UNEP and { }; and the executing agencies were:

The lead national agencies in the focal countries were:

Project Activities

The project comprised activities grouped in {number} components.

Budget

At project inception the following budget prepared:

	<u>GEF</u>	<u>Co-funding</u>
Project preparation funds:		
GEF {Medium/Full} Size Grant		

TOTAL (including project preparation funds)

Co-funding sources:

Anticipated:

TERMS OF REFERENCE FOR THE EVALUATION

1. Objective and Scope of the Evaluation

The objective of this terminal evaluation is to examine the extent and magnitude of any project impacts to date and determine the likelihood of future impacts. The evaluation will also assess project performance and the implementation of planned project activities and planned outputs against actual results. The evaluation will focus on the following main questions:

1. Did the project help to {} among key target audiences (international conventions and initiatives, national level policy-makers, regional and local policy-makers, resource managers and practitioners).
2. Did the outputs of the project articulate options and recommendations for {}? Were these options and recommendations used? If so by whom?
3. To what extent did the project outputs produced have the weight of scientific authority and credibility necessary to influence policy makers and other key audiences?

Methods

This terminal evaluation will be conducted as an in-depth evaluation using a participatory approach whereby the UNEP/DGEF Task Manager, key representatives of the executing agencies and other relevant staff are kept informed and consulted throughout the evaluation. The consultant will liaise with the UNEP/EOU and the UNEP/DGEF Task Manager on any logistic and/or methodological issues to properly conduct the review in as independent a way as possible, given the circumstances and resources offered. The draft report will be circulated to UNEP/DGEF Task Manager, key representatives of the executing agencies and the UNEP/EOU. Any comments or responses to the draft report will be sent to UNEP / EOU for collation and the consultant will be advised of any necessary or suggested revisions.

The findings of the evaluation will be based on the following:

1. A desk review of project documents including, but not limited to:
 - (a) The project documents, outputs, monitoring reports (such as progress and financial reports to UNEP and GEF annual Project Implementation Review reports) and relevant correspondence.
 - (b) Notes from the National Coordination Committee meetings.
 - (c) Other project-related material produced by the project staff or partners.
 - (d) Relevant material published on the project web-site: {}.
2. Interviews with project management and technical support including {}**{NEED INPUT FROM TM HERE}**
3. Interviews and Telephone interviews with intended users for the project outputs and other stakeholders involved with this project, including in the participating countries and international bodies. The Consultant shall determine whether to seek additional information and opinions from representatives of donor agencies and other organizations. As appropriate, these interviews could be combined with an email questionnaire.
4. Interviews with the UNEP/DGEF project task manager and Fund Management Officer, and other relevant staff in UNEP dealing with {}**{relevant GEF focal area(s)}**-related activities as necessary. The Consultant shall also gain broader perspectives from discussions with relevant GEF Secretariat staff.

5. Field visits⁶ to project staff

Key Evaluation principles.

In attempting to evaluate any outcomes and impacts that the project may have achieved, evaluators should remember that the project's performance should be assessed by considering the difference between the answers to two simple questions "*what happened?*" and "*what would have happened anyway?*". These questions imply that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. In addition it implies that there should be plausible evidence to **attribute** such outcomes and impacts **to the actions of the project**.

Sometimes, adequate information on baseline conditions and trends is lacking. In such cases this should be clearly highlighted by the evaluator, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

2. Project Ratings

The success of project implementation will be rated on a scale from 'highly unsatisfactory' to 'highly satisfactory'. In particular the evaluation shall **assess and rate** the project with respect to the eleven categories defined below:⁷

A. Attainment of objectives and planned results:

The evaluation should assess the extent to which the project's major relevant objectives were effectively and efficiently achieved or are expected to be achieved and their relevance.

- *Effectiveness:* Evaluate how, and to what extent, the stated project objectives have been met, taking into account the "achievement indicators". The analysis of outcomes achieved should include, *inter alia*, an assessment of the extent to which the project has directly or indirectly assisted policy and decision-makers to apply information supplied by biodiversity indicators in their national planning and decision-making. In particular:
 - Evaluate the immediate impact of the project on {relevant focal area} monitoring and in national planning and decision-making and international understanding and use of biodiversity indicators.
 - As far as possible, also assess the potential longer-term impacts considering that the evaluation is taking place upon completion of the project and that longer term impact is expected to be seen in a few years time. Frame recommendations to enhance future project impact in this context. Which will be the major 'channels' for longer term impact from the project at the national and international scales?
- *Relevance:* In retrospect, were the project's outcomes consistent with the focal areas/operational program strategies? Ascertain the nature and significance of the contribution of the project outcomes to the {relevant Convention(s)} and the wider portfolio of the GEF.
- *Efficiency:* Was the project cost effective? Was the project the least cost option? Was the project implementation delayed and if it was, then did that affect cost-effectiveness? Assess the contribution of cash and in-kind co-financing to project implementation and to what extent the project leveraged additional resources. Did the project build on earlier initiatives, did it make effective use of available scientific and / or technical information. Wherever possible, the evaluator should also compare the cost-time vs. outcomes relationship of the project with that of other similar projects.

⁶ Evaluators should make a brief courtesy call to GEF Country Focal points during field visits if at all possible.

⁷ However, the views and comments expressed by the evaluator need not be restricted to these items.

B. Sustainability:

Sustainability is understood as the probability of continued long-term project-derived outcomes and impacts after the GEF project funding ends. The evaluation will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. Some of these factors might be outcomes of the project, e.g. stronger institutional capacities or better informed decision-making. Other factors will include contextual circumstances or developments that are not outcomes of the project but that are relevant to the sustainability of outcomes. The evaluation should ascertain to what extent follow-up work has been initiated and how project outcomes will be sustained and enhanced over time.

Five aspects of sustainability should be addressed: financial, socio-political, institutional frameworks and governance, environmental (if applicable). The following questions provide guidance on the assessment of these aspects:

- *Financial resources.* Are there any financial risks that may jeopardize sustenance of project outcomes? What is the likelihood that financial and economic resources will not be available once the GEF assistance ends (resources can be from multiple sources, such as the public and private sectors, income generating activities, and trends that may indicate that it is likely that in future there will be adequate financial resources for sustaining project's outcomes)? To what extent are the outcomes of the project dependent on continued financial support?
- *Socio-political:* Are there any social or political risks that may jeopardize sustenance of project outcomes? What is the risk that the level of stakeholder ownership will be insufficient to allow for the project outcomes to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project?
- *Institutional framework and governance.* To what extent is the sustenance of the outcomes of the project dependent on issues relating to institutional frameworks and governance? What is the likelihood that institutional and technical achievements, legal frameworks, policies and governance structures and processes will allow for, the project outcomes/benefits to be sustained? While responding to these questions consider if the required systems for accountability and transparency and the required technical know-how are in place.
- *Environmental.* Are there any environmental risks that can undermine the future flow of project environmental benefits? The TE should assess whether certain activities in the project area will pose a threat to the sustainability of the project outcomes. For example; construction of dam in a protected area could inundate a sizable area and thereby neutralize the biodiversity-related gains made by the project; or, a newly established pulp mill might jeopardise the viability of nearby protected forest areas by increasing logging pressures; or a vector control intervention may be made less effective by changes in climate and consequent alterations to the incidence and distribution of malarial mosquitoes.

C. Achievement of outputs and activities:

- Delivered outputs: Assessment of the project's success in producing each of the programmed outputs, both in quantity and quality as well as usefulness and timeliness.
- Assess the soundness and effectiveness of the methodologies used for developing the technical documents and related management options in the participating countries
- Assess to what extent the project outputs produced have the weight of scientific authority / credibility, necessary to influence policy and decision-makers, particularly at the national level.

D. Catalytic Role

Replication and catalysis. What examples are there of replication and catalytic outcomes? Replication approach, in the context of GEF projects, is defined as lessons and experiences coming out of the

project that are replicated or scaled up in the design and implementation of other projects. Replication can have two aspects, replication proper (lessons and experiences are replicated in different geographic area) or scaling up (lessons and experiences are replicated within the same geographic area but funded by other sources). Specifically:

- Do the recommendations for management of {project} coming from the country studies have the potential for application in other countries and locations?

If no effects are identified, the evaluation will describe the catalytic or replication actions that the project carried out.

E. Assessment monitoring and evaluation systems.

The evaluation shall include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The Terminal Evaluation will assess whether the project met the minimum requirements for ‘project design of M&E’ and ‘the application of the Project M&E plan’ (see minimum requirements 1&2 in *Annex 4* to this Appendix). GEF projects must budget adequately for execution of the M&E plan, and provide adequate resources during implementation of the M&E plan. Project managers are also expected to use the information generated by the M&E system during project implementation to adapt and improve the project.

M&E during project implementation

- *M&E design.* Projects should have sound M&E plans to monitor results and track progress towards achieving project objectives. An M&E plan should include a baseline (including data, methodology, etc.), SMART indicators (see Annex 4) and data analysis systems, and evaluation studies at specific times to assess results. The time frame for various M&E activities and standards for outputs should have been specified.
- *M&E plan implementation.* A Terminal Evaluation should verify that: an M&E system was in place and facilitated timely tracking of results and progress towards projects objectives throughout the project implementation period (perhaps through use of a logframe or similar); annual project reports and Progress Implementation Review (PIR) reports were complete, accurate and with well justified ratings; that the information provided by the M&E system was used during the project to improve project performance and to adapt to changing needs; and that projects had an M&E system in place with proper training for parties responsible for M&E activities.
- *Budgeting and Funding for M&E activities.* The terminal evaluation should determine whether support for M&E was budgeted adequately and was funded in a timely fashion during implementation.

F. Preparation and Readiness

Were the project’s objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing institution and counterparts properly considered when the project was designed? Were lessons from other relevant projects properly incorporated in the project design? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to project implementation? Were counterpart resources (funding, staff, and facilities), enabling legislation, and adequate project management arrangements in place?

G. Country ownership / drivenness:

This is the relevance of the project to national development and environmental agendas, recipient country commitment, and regional and international agreements. The evaluation will:

- Assess the level of country ownership. Specifically, the evaluator should assess whether the project was effective in providing and communicating biodiversity information that catalyzed

action in participating countries to improve decisions relating to the conservation and management of the focal ecosystem in each country.

- Assess the level of country commitment to the generation and use of biodiversity indicators for decision-making during and after the project, including in regional and international fora.

H. Stakeholder participation / public awareness:

This consists of three related and often overlapping processes: information dissemination, consultation, and “stakeholder” participation. Stakeholders are the individuals, groups, institutions, or other bodies that have an interest or stake in the outcome of the GEF- financed project. The term also applies to those potentially adversely affected by a project. The evaluation will specifically:

- Assess the mechanisms put in place by the project for identification and engagement of stakeholders in each participating country and establish, in consultation with the stakeholders, whether this mechanism was successful, and identify its strengths and weaknesses.
- Assess the degree and effectiveness of collaboration/interactions between the various project partners and institutions during the course of implementation of the project.
- Assess the degree and effectiveness of any various public awareness activities that were undertaken during the course of implementation of the project.

I. Financial Planning

Evaluation of financial planning requires assessment of the quality and effectiveness of financial planning and control of financial resources throughout the project’s lifetime. Evaluation includes actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co- financing. The evaluation should:

- Assess the strength and utility of financial controls, including reporting, and planning to allow the project management to make informed decisions regarding the budget and allow for a proper and timely flow of funds for the payment of satisfactory project deliverables.
- Present the major findings from the financial audit if one has been conducted.
- Identify and verify the sources of co- financing as well as leveraged and associated financing (in co-operation with the IA and EA).
- Assess whether the project has applied appropriate standards of due diligence in the management of funds and financial audits.
- The evaluation should also include a breakdown of final actual costs and co-financing for the project prepared in consultation with the relevant UNEP/DGEF Fund Management Officer of the project (table attached in *Annex 1* to this Appendix Co-financing and leveraged resources).

J. Implementation approach:

This includes an analysis of the project’s management framework, adaptation to changing conditions (adaptive management), partnerships in implementation arrangements, changes in project design, and overall project management. The evaluation will:

- Ascertain to what extent the project implementation mechanisms outlined in the project document have been closely followed. In particular, assess the role of the various committees established and whether the project document was clear and realistic to enable effective and efficient implementation, whether the project was executed according to the plan and how well the management was able to adapt to changes during the life of the project to enable the implementation of the project.
- Evaluate the effectiveness and efficiency and adaptability of project management and the supervision of project activities / project execution arrangements at all levels (1) policy decisions: National Coordination Committee; (2) day to day project management in each of the country executing agencies and {lead executing agency}.

K. UNEP Supervision and Backstopping

- Assess the effectiveness of supervision and administrative and financial support provided by UNEP/DGEF.
- Identify administrative, operational and/or technical problems and constraints that influenced the effective implementation of the project.

The *ratings will be presented in the form of a table*. Each of the eleven categories should be rated separately with **brief justifications** based on the findings of the main analysis. An overall rating for the project should also be given. The following rating system is to be applied:

HS	= Highly Satisfactory
S	= Satisfactory
MS	= Moderately Satisfactory
MU	= Moderately Unsatisfactory
U	= Unsatisfactory
HU	= Highly Unsatisfactory

3. Evaluation report format and review procedures

The report should be brief, to the point and easy to understand. It must explain; the purpose of the evaluation, exactly what was evaluated and the methods used. The report must highlight any methodological limitations, identify key concerns and present evidence-based findings, consequent conclusions, recommendations and lessons. The report should be presented in a way that makes the information accessible and comprehensible and include an executive summary that encapsulates the essence of the information contained in the report to facilitate dissemination and distillation of lessons.

The evaluation will rate the overall implementation success of the project and provide individual ratings of the eleven implementation aspects as described in Section 1 of this TOR. *The ratings will be presented in the format of a table with brief justifications based on the findings of the main analysis.*

Evidence, findings, conclusions and recommendations should be presented in a complete and balanced manner. Any dissident views in response to evaluation findings will be appended in an annex. The evaluation report shall be written in English, be of no more than 50 pages (excluding annexes), use numbered paragraphs and include:

- i) An **executive summary** (no more than 3 pages) providing a brief overview of the main conclusions and recommendations of the evaluation;
- ii) **Introduction and background** giving a brief overview of the evaluated project, for example, the objective and status of activities; The GEF Monitoring and Evaluation Policy, 2006, requires that a TE report will provide summary information on when the evaluation took place; places visited; who was involved; the key questions; and, the methodology.
- iii) **Scope, objective and methods** presenting the evaluation's purpose, the evaluation criteria used and questions to be addressed;
- iv) **Project Performance and Impact** providing *factual evidence* relevant to the questions asked by the evaluator and interpretations of such evidence. This is the main substantive section of the report. The evaluator should provide a commentary and analysis on all eleven evaluation aspects (A – K above).

- v) **Conclusions and rating** of project implementation success giving the evaluator's concluding assessments and ratings of the project against given evaluation criteria and standards of performance. The conclusions should provide answers to questions about whether the project is considered good or bad, and whether the results are considered positive or negative. The ratings should be provided with a brief narrative comment in a table (see *Annex 1* to this Appendix);
- vi) **Lessons (to be) learned** presenting general conclusions from the standpoint of the design and implementation of the project, based on good practices and successes or problems and mistakes. Lessons should have the potential for wider application and use. All lessons should 'stand alone' and should:
- Briefly describe the context from which they are derived
 - State or imply some prescriptive action;
 - Specify the contexts in which they may be applied (if possible, who when and where)
- vii) **Recommendations** suggesting *actionable* proposals for improvement of the current project. In general, Terminal Evaluations are likely to have very few (perhaps two or three) actionable recommendations.

Prior to each recommendation, the issue(s) or problem(s) to be addressed by the recommendation should be clearly stated.

A high quality recommendation is an actionable proposal that is:

1. Feasible to implement within the timeframe and resources available
2. Commensurate with the available capacities of project team and partners
3. Specific in terms of who would do what and when
4. Contains results-based language (i.e. a measurable performance target)
5. Includes a trade-off analysis, when its implementation may require utilizing significant resources that would otherwise be used for other project purposes.

- viii) **Annexes** may include additional material deemed relevant by the evaluator but must include:
1. The Evaluation Terms of Reference,
 2. A list of interviewees, and evaluation timeline
 3. A list of documents reviewed / consulted
 4. Summary co-finance information and a statement of project expenditure by activity
 5. The expertise of the evaluation team. (brief CV).

TE reports will also include any response / comments from the project management team and/or the country focal point regarding the evaluation findings or conclusions as an annex to the report, however, such will be appended to the report by UNEP EOU.

Examples of UNEP GEF Terminal Evaluation Reports are available at www.unep.org/eou

Review of the Draft Evaluation Report

Draft reports submitted to UNEP EOU are shared with the corresponding Programme or Project Officer and his or her supervisor for initial review and consultation. The DGEF staff and senior Executing Agency staff are allowed to comment on the draft evaluation report. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks feedback on the proposed recommendations. UNEP EOU collates all review comments and provides them to the evaluators for their consideration in preparing the final version of the report.

4. Submission of Final Terminal Evaluation Reports.

The final report shall be submitted in electronic form in MS Word format and should be sent to the following persons:

Segbedzi Norgbey, Chief,
UNEP Evaluation and Oversight Unit
P.O. Box 30552-00100
Nairobi, Kenya
Tel.: +(254-20)762-4181
Fax: +(254-20)762-3158
Email: Segbedzi.Norgbey@unep.org

With a copy to:

Maryam Niamir-Fuller,
Director
UNEP/Division of GEF Coordination
P.O. Box 30552-00100
Nairobi, Kenya
Tel: +(254-20)762-4166
Fax: +(254-20)762-4041/2
Email: Maryam.Niamir-Fuller@unep.org

{Name}
[Task Manager](#)
{Contact details}

The Final evaluation will also be copied to the following GEF National Focal Points.

{Insert contact details here}

The final evaluation report will be published on the Evaluation and Oversight Unit's web-site www.unep.org/eou and may be printed in hard copy. Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.

5. Resources and schedule of the evaluation

This final evaluation will be undertaken by an international evaluator contracted by the Evaluation and Oversight Unit, UNEP. The contract for the evaluator will begin on **ddmmyyy** and end on **ddmmyyyy** (**#** days) spread over **#** weeks (**#** days of travel, to **{country(ies)}**, and **#** days desk study). The evaluator will submit a draft report on **ddmmyyyy** to UNEP/EOU, the UNEP/DGEF Task Manager, and key representatives of the executing agencies. Any comments or responses to the draft report will be sent to UNEP / EOU for collation and the consultant will be advised of any necessary revisions. Comments to the final draft report will be sent to the consultant by **ddmmyyyy** after which, the consultant will submit the final report no later than **ddmmyyyy**.

The evaluator will after an initial telephone briefing with EOU and UNEP/GEF conduct initial desk review work and later travel to **{country(ies)}** and meet with project staff at the beginning of the evaluation. Furthermore, the evaluator is expected to travel to **{country(ies)}** and meet with representatives of the project executing agencies and the intended users of project's outputs.

In accordance with UNEP/GEF policy, all GEF projects are evaluated by independent evaluators contracted as consultants by the EOU. The evaluator should have the following qualifications:

The evaluator should not have been associated with the design and implementation of the project in a paid capacity. The evaluator will work under the overall supervision of the Chief, Evaluation and Oversight

Unit, UNEP. The evaluator should be an international expert in {} with a sound understanding of {} issues. The consultant should have the following minimum qualifications: (i) experience in {} issues; (ii) experience with management and implementation of {} projects and in particular with {} targeted at policy-influence and decision-making; (iii) experience with project evaluation. Knowledge of UNEP programmes and GEF activities is desirable. Knowledge of {specify language(s)} is an advantage. Fluency in oral and written English is a must.

6. Schedule Of Payment

The consultant shall select one of the following two contract options:

Lump-Sum Option

The evaluator will receive an initial payment of 30% of the total amount due upon signature of the contract. A further 30% will be paid upon submission of the draft report. A final payment of 40% will be made upon satisfactory completion of work. The fee is payable under the individual Special Service Agreement (SSA) of the evaluator and **is inclusive** of all expenses such as travel, accommodation and incidental expenses.

Fee-only Option

The evaluator will receive an initial payment of 40% of the total amount due upon signature of the contract. Final payment of 60% will be made upon satisfactory completion of work. The fee is payable under the individual SSAs of the evaluator and is **NOT** inclusive of all expenses such as travel, accommodation and incidental expenses. Ticket and DSA will be paid separately.

In case, the evaluator cannot provide the products in accordance with the TORs, the timeframe agreed, or his products are substandard, the payment to the evaluator could be withheld, until such a time the products are modified to meet UNEP's standard. In case the evaluator fails to submit a satisfactory final product to UNEP, the product prepared by the evaluator may not constitute the evaluation report.

Annex 1 to Appendix 9: OVERALL RATINGS TABLE

Criterion	Evaluator's Summary Comments	Evaluator's Rating
A. Attainment of project objectives and results (overall rating) Sub criteria (below)		
A. 1. Effectiveness		
A. 2. Relevance		
A. 3. Efficiency		
B. Sustainability of Project outcomes (overall rating) Sub criteria (below)		
B. 1. Financial		
B. 2. Socio Political		
B. 3. Institutional framework and governance		
B. 4. Ecological		
C. Achievement of outputs and activities		
D. Monitoring and Evaluation (overall rating)		

Criterion	Evaluator's Summary Comments	Evaluator's Rating
Sub criteria (below)		
D. 1. M&E Design		
D. 2. M&E Plan Implementation (use for adaptive management)		
D. 3. Budgeting and Funding for M&E activities		
E. Catalytic Role		
F. Preparation and readiness		
G. Country ownership / drivenness		
H. Stakeholders involvement		
I. Financial planning		
J. Implementation approach		
K. UNEP Supervision and backstopping		

RATING OF PROJECT OBJECTIVES AND RESULTS

Highly Satisfactory (HS): The project had no shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Satisfactory (S): The project had minor shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Moderately Satisfactory (MS): The project had moderate shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Moderately Unsatisfactory (MU): The project had significant shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Unsatisfactory (U) The project had major shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Highly Unsatisfactory (HU): The project had severe shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Please note: Relevance and effectiveness will be considered as critical criteria. The overall rating of the project for achievement of objectives and results **may not be higher** than the lowest rating on either of these two criteria. Thus, to have an overall satisfactory rating for outcomes a project must have at least satisfactory ratings on both relevance and effectiveness.

RATINGS ON SUSTAINABILITY

A. Sustainability will be understood as the probability of continued long-term outcomes and impacts after the GEF project funding ends. The Terminal evaluation will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. Some of these factors might be outcomes of the project, i.e. stronger institutional capacities, legal frameworks, socio-economic incentives /or public awareness. Other factors will include contextual circumstances or developments that are not outcomes of the project but that are relevant to the sustainability of outcomes.

Rating system for sustainability sub-criteria

On each of the dimensions of sustainability of the project outcomes will be rated as follows.

Likely (L): There are no risks affecting this dimension of sustainability.

Moderately Likely (ML). There are moderate risks that affect this dimension of sustainability.

Moderately Unlikely (MU): There are significant risks that affect this dimension of sustainability

Unlikely (U): There are severe risks that affect this dimension of sustainability.

According to the GEF Office of Evaluation, all the risk dimensions of sustainability are deemed critical. Therefore, overall rating for sustainability will not be higher than the rating of the dimension with lowest ratings. For example, if a project has an Unlikely rating in any of the dimensions then its overall rating cannot be higher than Unlikely, regardless of whether higher ratings in other dimensions of sustainability produce a higher average.

RATINGS OF PROJECT M&E

Monitoring is a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing project with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Evaluation is the systematic and objective assessment of an on-going or completed project, its design, implementation and results. Project evaluation may involve the definition of appropriate standards, the examination of performance against those standards, and an assessment of actual and expected results.

The Project monitoring and evaluation system will be rated on ‘M&E Design’, ‘M&E Plan Implementation’ and ‘Budgeting and Funding for M&E activities’ as follows:

Highly Satisfactory (HS): There were no shortcomings in the project M&E system.

Satisfactory(S): There were minor shortcomings in the project M&E system.

Moderately Satisfactory (MS): There were moderate shortcomings in the project M&E system.

Moderately Unsatisfactory (MU): There were significant shortcomings in the project M&E system.

Unsatisfactory (U): There were major shortcomings in the project M&E system.

Highly Unsatisfactory (HU): The Project had no M&E system.

“M&E plan implementation” will be considered a critical parameter for the overall assessment of the M&E system. The overall rating for the M&E systems will not be higher than the rating on “M&E plan implementation.”

All other ratings will be on the GEF six point scale.

GEF Performance Description	Alternative description on the same scale
HS = Highly Satisfactory	Excellent
S = Satisfactory	Well above average
MS = Moderately Satisfactory	Average
MU = Moderately Unsatisfactory	Below Average
U = Unsatisfactory	Poor
HU = Highly Unsatisfactory	Very poor (Appalling)

Co financing (Type/Source)	IA own Financing (mill US\$)		Government (mill US\$)		Other* (mill US\$)		Total (mill US\$)		Total Disbursement (mill US\$)	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
- Grants										
- Loans/Concessional (compared to market rate)										
- Credits										
- Equity investments										
- In-kind support										
- Other (*)										
-										
-										
-										
-										
Totals										

Co-financing (basic data to be supplied to the consultant for verification)

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

Leveraged Resources

Leveraged resources are additional resources—beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO's, foundations, governments, communities or the private sector. Please briefly describe the resources the project has leveraged since inception and indicate how these resources are contributing to the project's ultimate objective.

Table showing final actual project expenditure by activity to be supplied by the UNEP Fund management Officer. (insert here)

Review of the Draft Report

Draft reports submitted to UNEP EOU are shared with the corresponding Programme or Project Officer and his or her supervisor for initial review and consultation. The DGEF staff and senior Executing Agency staff provide comments on the draft evaluation report. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. UNEP EOU collates the review comments and provides them to the evaluators for their consideration in preparing the final version of the report. General comments on the draft report with respect to compliance with these TOR are shared with the reviewer.

Quality Assessment of the Evaluation Report

All UNEP GEF Mid Term Reports are subject to quality assessments by UNEP EOU. These apply GEF Office of Evaluation quality assessment and are used as a tool for providing structured feedback to the evaluator.

The quality of the draft evaluation report is assessed and rated against the following criteria:

GEF Report Quality Criteria	UNEP EOU Assessment	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives in the context of the focal area program indicators if applicable?		
B. Was the report consistent and the evidence complete and convincing and were the ratings substantiated when used?		
C. Did the report present a sound assessment of sustainability of outcomes?		
D. Were the lessons and recommendations supported by the evidence presented?		
E. Did the report include the actual project costs (total and per activity) and actual co-financing used?		
F. Did the report include an assessment of the quality of the project M&E system and its use for project management?		
UNEP EOU additional Report Quality Criteria	UNEP EOU Assessment	Rating
G. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
H. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented? Did the recommendations specify a goal and an associated performance indicator?		
I. Was the report well written? (clear English language and grammar)		
J. Did the report structure follow EOU guidelines, were all requested Annexes included?		
K. Were all evaluation aspects specified in the TORs adequately addressed?		
L. Was the report delivered in a timely manner		

GEF Quality of the MTE report = $0.3*(A + B) + 0.1*(C+D+E+F)$

EOU assessment of MTE report = $0.3*(G + H) + 0.1*(I+J+K+L)$

Combined quality Rating = $(2* \text{'GEF EO' rating} + \text{EOU rating})/3$

The Totals are rounded and converted to the scale of HS to HU

Rating system for quality of terminal evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

*Annex 4 to Appendix 9****GEF Minimum requirements for M&E******Minimum Requirement 1: Project Design of M&E⁸***

All projects must include a concrete and fully budgeted monitoring and evaluation plan by the time of Work Program entry (full-sized projects) or CEO approval (medium-sized projects). This plan must contain at a minimum:

- SMART (see below) indicators for project implementation, or, if no indicators are identified, an alternative plan for monitoring that will deliver reliable and valid information to management
- SMART indicators for results (outcomes and, if applicable, impacts), and, where appropriate, corporate-level indicators
- A project baseline, with:
 - a description of the problem to address
 - indicator data
 - or, if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation
- An M&E Plan with identification of reviews and evaluations which will be undertaken, such as mid-term reviews or evaluations of activities
- An organizational setup and budgets for monitoring and evaluation.

⁸ <http://gefweb.org/MonitoringandEvaluation/MEPoliciesProcedures/MEPTools/meptstandards.html>

Minimum Requirement 2: Application of Project M&E

- Project monitoring and supervision will include implementation of the M&E plan, comprising:
- Use of SMART indicators for implementation (or provision of a reasonable explanation if not used)
- Use of SMART indicators for results (or provision of a reasonable explanation if not used)
- Fully established baseline for the project and data compiled to review progress
- Evaluations are undertaken as planned
- Operational organizational setup for M&E and budgets spent as planned.

SMART INDICATORS GEF projects and programs should monitor using relevant performance indicators. The monitoring system should be “SMART”:

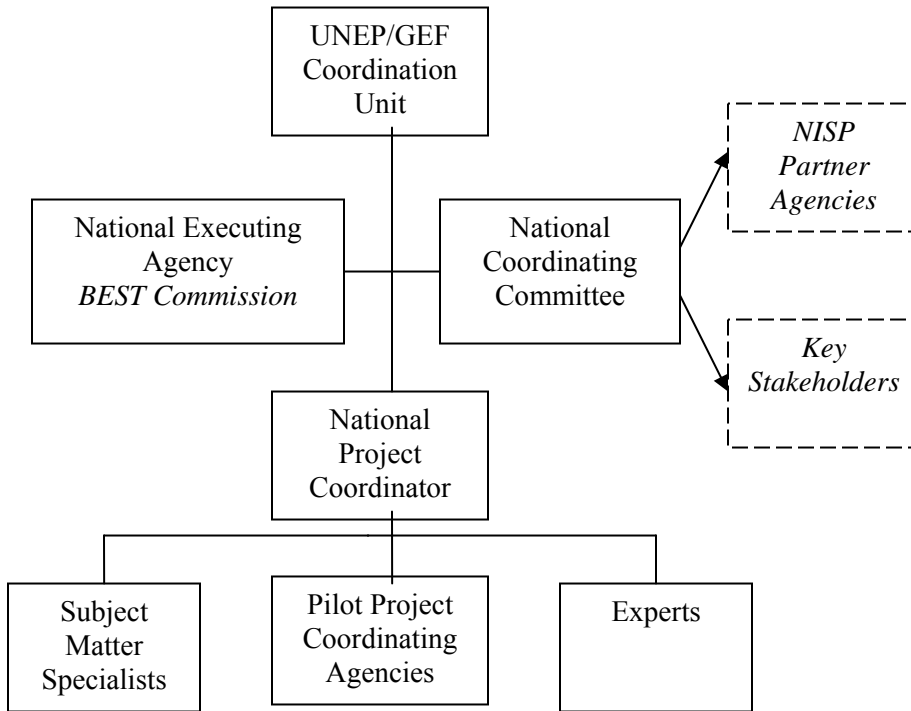
1. **Specific:** The system captures the essence of the desired result by clearly and directly relating to achieving an objective, and only that objective.
2. **Measurable:** The monitoring system and its indicators are unambiguously specified so that all parties agree on what the system covers and there are practical ways to measure the indicators and results.
3. **Achievable and Attributable:** The system identifies what changes are anticipated as a result of the intervention and whether the result(s) are realistic. Attribution requires that changes in the targeted developmental issue can be linked to the intervention.
4. **Relevant and Realistic:** The system establishes levels of performance that are likely to be achieved in a practical manner, and that reflect the expectations of stakeholders.
5. **Time-bound, Timely, Trackable, and Targeted:** The system allows progress to be tracked in a cost-effective manner at desired frequency for a set period, with clear identification of the particular stakeholder group to be impacted by the project or program.

Annex 5 to Appendix 9

List of intended additional recipients for the Terminal Evaluation (to be completed by the IA Task Manager)

Name	Affiliation	Email
Aaron Zazueta	GEF Evaluation Office	azazueta@thegef.org
Government Officials		
GEF Focal Point(s)		
Executing Agency		
Implementing Agency		
Carmen Tavera	UNEP DGEF Quality Assurance Officer	

Appendix 10: Decision-making flowchart and organizational chart



Appendix 11: Terms of Reference

National Executing Agency (NEA),

The National Executing Agency (NEA), in addition to other duties given to it by the National Government, will:

- Establish the National Coordinating Committee (NCC);
- Appoint a full time National Project Coordinator (NPC), taking into account the sustainability of activities related to the Bahamas National Protected Area System on completion of the Marine Protected Area Full-Sized Project (MPA FSP);
- Provide the necessary scientific, technical, financial and administrative support to the work of the NCC, working in close cooperation with relevant government agencies, the scientific community and the public and private sectors;
- Ensure that regular reports, financial accounts, and requests are submitted to UNEP as set out in Section _;
- Review all documentation deriving from the MPA FSP and any other relevant documentation to ensure that these are consonant with National Government;
- Submit the final version of the Terminal Report no later than four years from signature of this Memorandum of Understanding.

National Coordinating Committee (NCC)

The National Coordinating Committee (NCC) will work together as a team on management of the National Project and meet at least on a quarterly basis with the following duties:

- Develop a common understanding of what is needed to implement the MPA FSP;
- Oversee the execution of project activities;
- Approve the detailed workplan and budget produced by the NPC;
- Mobilise necessary expertise, as needed for the proper execution of the MPA FSP outputs;
- Provide overall policy advice on the implementation of the MPA FSP;
- Review and advise on the main outputs of the MPA FSP;
- Ensure that information on the implementation of the MPA FSP as well as the outputs are brought to the attention of local and national authorities for follow up;
- Assist in mobilising available data and ensure a constant information flow between all concerned parties;
- Allow for effective communication and decision-making between the National Project Coordinator and other actors;
- Ensure that the environmental policy of the Government is fully reflected in the MPA FSP documentation;
- Review and approve the MPA FSP outputs and documents.

On an annual basis the NCC will meet with all executing partners including UNEP CAR/RCU, UNEP DGEF and TNC to fulfil steering mechanism responsibilities including: oversight of project implementation, monitoring of project progress, strategic and policy guidance and to review and approve annual work plans and budgets.

National Project Coordinator (NPC)

1. *Title of Position:* National Project Coordinator (Team Manager)

2. *Position Location:* Normally NEA

3. *Reports to:* NEA, NCC and UNEP Task Manager

4. *Date of TOR:* 1 September 2009 – 31 September 2013

5. *Supervises:* National Subject Matter Specialists and Project Site Teams

6. *Tasks*

- Act as secretary to the NCC;
- Coordinate, manage and monitor the implementation of the MPA FSP conducted by the local and international experts, consultants, subcontractors and cooperating partners; this includes planning, initiating and managing national project activities according to the project document and the procedures in the official UNEP Operational Guidelines ;
- Organize National Coordinating Committee meetings;

- Prepare detailed workplan and budget under the guidance of the NCC;
- Ensure effective communication with the relevant authorities, institutions and Government departments in close collaboration with the National Coordinating Committee;
- Acting as the technical focal point for national stakeholders and broaden national stakeholder base where relevant, e.g. by organizing national stakeholder consultations and facilitating national stakeholder meetings;
- Foster, establish and maintain links with other related national and international programmes and initiatives;
- Identification of additional national co-finance as the FSP develops;
- Prepare and oversee the development of Terms of Reference for FSP components, Subject Matter Specialists, Project Site Teams, other consultants and experts;
- Organize, contract and manage the consultants and experts, and supervise their performance;
- Coordinate and oversee the preparation of the outputs of the MPA FSP;
- Manage the FSP finance, oversee overall resource allocation and where relevant submit proposals for budget revisions to the NCC and UNEP;
- Manage the overall FSP ensuring that all the activities are carried out on time and within budget to achieve the stated outputs;
- Coordinate the work of all stakeholders under the guidance of the NEA and the NCC and in consultation with the UNEP Task Manager;
- Ensure that information is available to the NCC about all Government, private and public sector activities, which impact on MPAs; and
- Prepare and submit to UNEP and the NCC, regular progress and financial reports as set out in Section __.

7. *Deliverables*

- NCC established; regular meetings held and documented;
- PSTs established; meetings held as required and documented;
- Terms of references and work plans for national Subject Matter Specialists prepared, agreed and monitored;
- Technical and financial reports as well as other inputs that may be required are provided in timely fashion;
- Legal framework and governance structure submitted to authorities for formal approval (Year 1);
- Bahamas Protected Area Fund established and capitalized with \$6.5 Million (Year 3); this will be done in conjunction with NEA, NCC and donors to the Fund (i.e. GEF, GOB, KfW and TNC);
- Pilot demonstration projects completed in timely fashion and within budget according to Terms of Reference for each (Years 3 and 4); and
- Pilot demonstration projects results submitted to UNEP (Year 4).

8. *Qualifications and Experience Required:*

- University degree or equivalent qualification in an environmental science or related field;
- Familiarity with the CBD PoWPA and its goals and objectives;
- Experience in undertaking similar assignments, preferably with experience working in a SIDS;
- Team player who possesses excellent organisational and communications skills;
- Fluent in English (native English speaker preferred);
- Excellent written and oral communication skills;
- Computer literacy with familiarity with Microsoft Office Suite; and
- Strong swimmer, certified SCUBA diver and comfortable in and around boats would be assets.

Subject Matter Specialists

1. *Title of Position:* Subject Matter Specialists (Consultants of various disciplines)

2. *Position Location:* Variable

3. *Reports to:* Normally NPC

4. *Date of TOR:* Variable

5. *Major Functions:*

The role is to assist the NPC in the implementation of FSP activities. The NPC will prepare the terms of reference based on the individual needs of specific project components including activities at the pilot demonstration sites on individual countries. Currently foreseeable roles include (but are not limited to):

- Communications Specialist
- Conservation Planner
- Enforcement Trainer
- Environmental Economist
- Fisheries Biologists
- GIS Expert
- Invasion Ecologist
- Investment Consultant
- Legal Expert
- Marine Biologists
- Scuba instructors/Dive masters
- Social Scientists/Anthropologists
- Sustainable Tourism Specialist
- Wetland Specialist

Appendix 12: Co-financing commitment letters from project partners



**THE BAHAMAS ENVIRONMENT, SCIENCE
AND TECHNOLOGY COMMISSION
Ministry of the Environment**

REF: MTE/BEST/GEF/I

SENT VIA FACSIMILE

July 2, 2009

Mrs. Monique Barbut
GEF Secretariat
1818 H Street, NW
Washington, DC 20433
USA
Fax: (202) 522-3240/3245
E-mail: secretariat@thegef.org

Dear Mrs. Barbut,

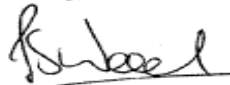
As the GEF Operational Focal Point for The Commonwealth of The Bahamas, I am pleased to endorse the national project "*Building a Sustainable National Marine Protected Area Network – The Bahamas*" proposed through UNEP for funding by the Global Environment Facility (GEF).

The Commission participated in the development of the Project Identification Form (PIF) and Project Preparation Grant (PPG) phases of the project and intends to be the National Executing Agency in the Full-Sized Project (FSP). Our involvement in the processes involved:

- Establishing the National Coordinating Committee (NCC);
- Providing the necessary scientific, technical, financial and administrative support to the work of the NCC, working in close cooperation with relevant government agencies, the scientific community and the public and private sectors; and
- Reviewing all documentation deriving from the FSP and any other relevant documentation to ensure that these are consonant with National Government.

The BEST Commission recognizes the proposed activities within this project will lead to building a sustainable network of marine protected areas in The Bahamas. We will continue to support the project with co-financing totaling US\$2,306,400 of which US\$2,000,400 will be in cash and US\$306,000 will be in-kind contributions.

Sincerely,


Philip S. Weech
Operational Focal Point, The Bahamas

/s/g

cc: Executive Coordinator,
UNEP/GEF

UNEP-GEF Liaison Officer

P.O. Box N-7132
Nassau, The Bahamas

Telephone: 242-322-4546
Facsimile: 242-326-3509

Email: bestnbs@bahamas.gov.bs
Internet: www.best.bs



DEPARTMENT OF MARINE RESOURCES

Ministry of Agriculture and Marine Resources

P. O. Box N-3028

Nassau, The Bahamas

FAX: (242) 393-0238

MA&RM/FIS/28A

26 June 2009

Mrs. Monique Barbut
GEF Secretariat
1818 H Street, NW
Washington, DC 20433
USA
Fax: (202) 522-3240/3245
E-mail: secretariat@thegef.org

Dear Mrs. Barbut,

This is to confirm the Department of Marine Resources' endorsement for the national project ***Building a Sustainable National Marine Protected Area Network – The Bahamas*** proposed through UNEP for funding by the Global Environment Facility (GEF).

The Department of Marine Resources participated in development of the Project Identification Form (PIF) and the Project Preparation Grant (PPG) phase of the project in The Bahamas and intends to be involved in the Full-Sized Project (FSP). Our foreseen involvement includes:

- ◆ Participation in the National Coordinating Committee (NCC);
- ◆ Assisting with the implementation of project activities related to scientific research and data analysis, review and reform of legal and regulatory framework for sustainable finance of protected areas, and capacity building and communications; and
- ◆ Implementation of the pilot demonstration on lionfish control in marine protected areas.

The Department of Marine Resources recognizes the proposed activities within this project will contribute significantly to building a sustainable network of marine protected areas in The Bahamas. We have estimated that support for the project by this Department in terms of co-financing will total US\$206,400, of which US\$400 will be in cash and US\$206,000 will be comprised of in-kind contributions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael T. Braynen".

Michael Braynen
Director of Marine Resources

Cc: Executive Coordinator, UNEP/GEF
UNEP-GEF Liaison Officer
CABI Project Coordinator

Post Office Box N-4105
The Retreat, Village Road
Nassau, Bahamas



Tel: (242)-393-1317
Fax.: (242)-393-4978
email: bnt@bnt.bs

THE BAHAMAS NATIONAL TRUST
FOR PLACES OF HISTORIC INTEREST AND NATURAL BEAUTY

26 June 2009

Mrs. Monique Barbut
GEF Secretariat
1818 H Street, NW
Washington, DC 20433
USA
Fax: (202) 522-3240/3245
E-mail: secretariat@thegef.org

Dear Mrs. Barbut,

This letter confirms the Bahamas National Trust's endorsement for the national project ***Building a Sustainable National Marine Protected Area Network – The Bahamas*** proposed through UNEP for funding by the Global Environment Facility (GEF).

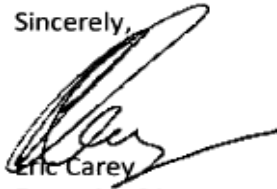
The Bahamas National Trust participated in development of the Project Identification Form (PIF) and the Project Preparation Grant (PPG) phase of the project and intends to be involved in the Full-Sized Project (FSP). Our foreseen involvement includes:

- ◆ Participation in the National Coordinating Committee (NCC);
- ◆ Assisting with the implementation of project activities related to scientific and data analysis, review and reform of legal and regulatory framework for sustainable finance of protected areas, and capacity building and communications; and
- ◆ Implementation of the pilot demonstration on sustainable tourism.

The Trust recognizes the proposed activities within this project will lead to building a sustainable network of marine protected areas in The Bahamas. We will continue to support

the project with co-financing totaling US\$125,400, of which US\$400 will be in cash and US\$125,000 will be in-kind contributions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Carey', written over a circular stamp or seal.

Eric Carey
Executive Director

Cc: Executive Coordinator, UNEP/GEF
UNEP-GEF Liaison Officer



Northern Caribbean Program
P.O. Box CB-11398
Caves Professional Centre, Suite 2,
West Bay Street
Nassau, Bahamas

tel [242] 327.2414
fax [242] 327.2417
nature.org/bahamas

26 June 2009

Mrs. Monique Barbut
GEF Secretariat
1818 H Street, NW
Washington, DC 20433
USA
Fax: (202) 522-3240/3245
E-mail: secretariat@thegef.org

Dear Mrs. Barbut,

This letter confirms The Nature Conservancy's endorsement for the national project *Building a Sustainable National Marine Protected Area Network – The Bahamas* proposed through UNEP for funding by the Global Environment Facility (GEF).

The Nature Conservancy Northern Caribbean Office participated in development of the Project Identification Form (PIF) and the Project Preparation Grant (PPG) phase of the project in The Bahamas and intends to be involved in the Full-Sized Project (FSP). Our foreseen involvement includes:

- ◆ Participation in the National Coordinating Committee (NCC);
- ◆ Assisting with the implementation of project activities related to scientific and data analysis, review and reform of legal and regulatory framework for sustainable finance of protected areas, and capacity building and communications; and
- ◆ Implementation of the pilot demonstration on incorporating climate change and mangrove restoration into conservation planning.

The Nature Conservancy Northern Caribbean Office recognizes the proposed activities within this project will lead to building a sustainable network of marine protected areas in The Bahamas. We currently intend to endeavor to raise the funds to support the project with co-financing totaling US\$2,125,400, of which US\$2,000,400 will be in cash and US\$125,000 will be in-kind contributions.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Kramer".

Dr. Philip Kramer
Director
Caribbean Program

cc: Executive Coordinator, UNEP/GEF
UNEP-GEF Liaison Officer



Telefax number: 00 1 242-328-1324

Attn: The Honourable Earl D. Deveaux
Minister of the Environment
Ministry of the Environment
Manx Building, West Bay Street
P.O. Box N 3040
Nassau, The Bahamas

Telefax
Saskia Berling
Our ref.: BeSa
Phone: +49 69 7431-9351
Fax: +49 69 7431-3805
E-Mail: saskia.berling@kfw.de
Date: 04-29-2009
No. of pages: 2

L IV a/2 German Financial Cooperation with the Caribbean: Caribbean Challenge Initiative/ CCI and Caribbean Biodiversity Fund/ CBF

Dear Honorable Earl D. Deveaux,

As you may have been informed, the German Government is planning to support the so-called „Caribbean Challenge Initiative“ (CCI) through KfW, the responsible institution for German Financial Cooperation with developing countries. Promoted also by The Nature Conservancy (TNC), the CCI has eight countries in the Caribbean joining forces by striving to expand and consolidate their network of protected areas – both marine and terrestrial.

The Initiative is also to comprise a sustainable financing mechanism: the “Caribbean Biodiversity Fund” (CBF) shall consist of a regional endowment, ensuring that recurrent expenses for the member countries’ protected areas are met on a sustainable basis. Scope and nature of the CBF necessitate the involvement of a recognised regional/ supra-national finance institution. For that reason, discussions have been initiated by TNC and KfW with the Caribbean Development Bank (CDB). First discussions reportedly have been held between CDB and several CCI’s “member countries”, pointing to an inclination by those countries to establish the CBF through CDB.

Hereby we would like to officially confirm that support to the “Caribbean Biodiversity Fund” is being envisaged through German Financial Cooperation. With natural resource management being an important field in our respective remit, we are interested to intensify our engagement in this sector in the Caribbean – particularly due to CCI’s trans-national character.



- KfW FÖRDERBANK
- KfW MITTELSTANDSBANK
- KfW IPEX-BANK
- DEG
- KfW ENTWICKLUNGSBANK

KfW • Palmengartenstraße 5-8 • 60325 Frankfurt, Germany • Phone: +49 69 7431-0 • Fax: +49 69 7431-2944 • www.kfw.de

It is a formal requirement in German Financial Cooperation that the respective partner countries formally declare their acceptance to a trans-national arrangement like the one outlined above. On that basis, the German Government can formally commit the funds to CDB.

Please find attached a more detailed concept note. We would very much appreciate your official response to our communication in order to decide on further project preparation activities from our end.

Yours faithfully,

KfW



Stefan Rischer

(Principal Project Manager)



Lutz Horn-Haacke

(Senior Project Manager)

Concept Note:

Caribbean Challenge Initiative and Caribbean Biodiversity Fund

1. Background

Eight countries in the Caribbean¹ are joining forces under the so-called „Caribbean Challenge Initiative/ CCI“ by striving to expand and consolidate their network of protected areas (PA) – both marine and terrestrial. Besides providing existing and new PAs with infrastructure, equipment and the concomitant capacity development, the CCI is also to comprise a sustainable financing mechanism: the “Caribbean Biodiversity Fund” (CBF) shall consist of an endowment, ensuring that the PAs’ recurrent expenses are met on a sustainable basis. The basic concept envisages the CBF to channel its proceeds on a pro rata basis (*to be defined/ worked out*) into the respective countries’ national protected area trusts for the benefit of the respective PA networks. It is expected that the participating countries will complementarily mobilise own resources (e.g. tourism revenues) to be channelled into their respective protected area trusts for their PAs’ benefit.

2. Estimated Budget and Funding Needs

The Nature Conservancy (TNC) as one of the main promoters of the CCI estimates that the equivalent of at least 30 m. Euro (approx. US\$ 40 million) will be required for sufficiently capitalising the CBF as an endowment. The German Gvt. has already earmarked a 10 m. Euro (approx. US\$ 13 million) grant as contribution into the CBF, to be handled through KfW Entwicklungsbank as Germany’s designated institution in charge of Financial Development Cooperation. TNC has earmarked US\$8 million as a contribution to the CBF, via its Caribbean Operating Unit. The countries, via project funding from the Global Environmental Facility (GEF), have mobilized another US\$9 million as a contribution to the CBF. Finally, the Government of the Bahamas has earmarked US\$2 million from its budget as a contribution to its portion of the CBF. The table below provides a breakdown by country of these contributions.

	KfW	TNC	GEF	Gov’t	TBD	Total
Antigua & Barbuda	\$ 900,000	\$ 600,000	\$ 1,500,000			\$ 3,000,000
Bahamas	\$ 3,000,000	\$ 2,000,000	\$ 500,000	\$ 2,000,000	\$ 2,500,000	\$ 10,000,000
Dominican Republic	\$ 3,000,000	\$ 2,000,000	\$ 500,000		\$ 4,500,000	\$ 10,000,000
Grenada	\$ 900,000	\$ 600,000	\$ 1,500,000			\$ 3,000,000
Jamaica	\$ 1,600,000	\$ 1,000,000	\$ 1,000,000		\$ 1,400,000	\$ 5,000,000
St. Kitts & Nevis	\$ 900,000	\$ 600,000	\$ 1,500,000			\$ 3,000,000
St. Lucia	\$ 900,000	\$ 600,000	\$ 1,500,000			\$ 3,000,000
St. Vincent & the Grenadines	\$ 900,000	\$ 600,000	\$ 1,500,000			\$ 3,000,000
Total	\$ 12,100,000	\$ 8,000,000	\$ 9,500,000	\$ 2,000,000	\$ 8,400,000	\$ 40,000,000

¹ Antigua/Barbuda, Bahamas, Dominican Republic, Grenada, Jamaica, St. Lucia, St. Kitts & Nevis, St. Vincent & the Grenadines

3. Outline of the Caribbean Biodiversity Fund

The CBF is to be set up as a regional structure – notably to confirm the venture's regional character and in order to allow for economies of scale when handling the endowment capital. Its legal and governing structure, statutes, by-laws etc. need to be defined and agreed upon, which will require the consent of the participating countries. Moreover, its relation to the respective national protected area trusts² as well as the pertinent coordinating mechanisms, roles and responsibilities need to be meticulously defined. As of now, the basic concept foresees to allocate endowment proceeds according to the above defined "split" (i.e. into respective "windows") and as per "technical criteria" related to the respective PA systems' performance. Those rules will have to be agreed upon among its members. At national level, each country's protected area trust would serve as funding mechanisms – operating in line with civil society principles and international good practice³.

4. Institutional Aspects

Scope and nature of the CBF necessitate the involvement of a recognised regional/ supra-national institution with a proven track record in the financial sector – preferably with a strategic orientation towards environmental finance. It is therefore not surprising that discussions have been initiated by TNC and KfW with the Caribbean Development Bank (CDB) as the region's leading financial institution in that respect. Beyond those contacts, first discussions are reported to have already been held between representatives of CDB and some of the CCI's "member countries", pointing to an inclination by those countries to address the CBF through CDB. This is also perceived as an encouraging indicator of CDB's own institutional interest in the initiative.

The involvement as such could be along two lines:

1. In formal or legal/ administrative terms, respectively, funding arrangements by donors like Germany would require an "official partner" that can receive financial assistance allocations and can conclude contracts as per international law. Subsequent implementation (i.e. the "operational" side), could then either rest with that same institution or be delegated to other third parties (or institutions to be newly established).
2. In operational terms, institutional responsibility for handling the CBF itself – under the auspices of a governing body ("board") and according to still undefined rules and regulations – has not been decided as yet.

Concerning those latter operational aspects, management of the CBF itself will comprise, but not necessarily be limited to the following elements:

- Formulating and updating an investment policy and strategy to be periodically approved by the CBF board
- Managing (or causing to manage) the endowment capital as per investment policy and international good practice

² Preparation for national protected area trusts are under way for the Bahamas, Jamaica, Grenada, and St. Vincent & the Grenadines, with the remainder to be developed under the auspices of the GEF projects.

³ cf. GEF manual (2000) „Handbook on Environmental Funds“ as well as Conservation Finance Alliance/ CFA (2008) „Rapid Review on Conservation Trust Funds“

3

- Handling of pertinent contracts, leases, tax returns, grant agreements, applications for permits and registrations, and all other written documents
- Timely preparation of submissions to the CBF board as laid down in the respective rules and regulations
- Ensuring prompt information of the board in all relevant matters as per the respective rules and regulations
- Administration and monitoring of grants provided from the CBF as per agreed statutes and rules
- Fundraising
- Liaison with other initiatives and institutions relevant to the CBF, esp. in the CCI context – notably the respective national trusts, governmental and non-governmental agencies and donors
- Maintaining financial reports and accounts

5. Formal Steps To Be Taken

Presupposing CDB's interest in becoming involved – with nature and scope of the involvement still to be defined – it is a formal requirement by German Financial Cooperation that the respective partner countries formally declare their acceptance to such an arrangement to the German Government (as a rule, via the respective German Embassies). On that basis – together with CDB's formal and written agreement to such a scheme – the German Government can formally commit the respective funds, which would then trigger further project preparation activities by KfW.

Appendix 13: Endorsement letters of GEF National Focal Points



**THE BAHAMAS ENVIRONMENT, SCIENCE
AND TECHNOLOGY COMMISSION
Ministry of the Environment**

REF: MTE/BEST/GEF/1

SENT VIA FACSIMILE

July 2, 2009

Maryam Niamir-Fuller
Director, UNEP/GEF
Nairobi, Kenya

**Re: Endorsement for Building a Sustainable National Marine Protected Area Network –
The Bahamas**

In my capacity as GEF Operational Focal Point for The Bahamas, I confirm that the above project proposal (a) is in accordance with the Government's national priorities and commitments made by The Bahamas under the relevant global environmental conventions and (b) has been discussed with relevant stakeholders, including the global environmental convention focal points, in accordance with GEF's policy on public involvement.

Accordingly, I am pleased to endorse the preparation of the above project proposal with the support of the United Nations Environment Programme (UNEP). If approved, the proposal will be prepared and implemented by the Bahamas Environment, Science and Technology (BEST) Commission, Ministry of the Environment. Further, I request UNEP to provide a copy of the project document for information of this office before it is submitted to the GEF Secretariat for CEO endorsement.

I understand that the total GEF financing being requested for this project is \$2,475,000 inclusive of the project preparation grant (PPG) and Agency fee (10%) to UNEP for project cycle management services associated with this project.

I consent to the utilization of the following indicative allocations available to The Bahamas in GEF-4 under the GEF Resource Allocation Framework to cover the GEF project preparation and implementation as well as the associated Agency fees for this project:

GEF Agency	Focal Area	Country (in \$)	Project Preparation			Total
			Project	Fee	Total	
UNEP	Biodiversity	Bahamas	50,000	2,200,000	225,000	2,475,000

Sincerely,

Philip S. Weech
GEF Operational Focal Point and UNCBD Convention Focal Point
Director, BEST Commission

/s/g

P.O. Box N-7132
Nassau, The Bahamas

Telephone: 242-322-4546
Facsimile: 242-326-3509

Email: bestnbs@bahamas.gov.bs
Internet: www.best.bs

Appendix 14: Draft procurement plan

For procurement of goods/services valued under \$50,000, the following requisition procedures will be employed:

1. Requirement

Three quotations from suppliers will be required before requisitions are authorized unless written explanatory notations are provided with respect to the non-availability of the requisite number of suppliers.

Once a Section Head has determined that a particular item or service is needed, the Request Form is prepared. The following information must be provided:

- Name of Section/Unit
- Date the request is prepared
- Quantity of the item being requested
- Name of suggested supplier
- Price of the item
- Extended price of all items
- If item is new, state reason for requirement
- If item is a replacement, indicate disposition of existing item/equipment
- Balance in item before request is approved
- Balance in item after request is approved
- Signature of Requesting Officer/Section Head
- Approval by Supplies Officer
- Approval by Heads of Accounts Section
- Approval by Permanent Secretary/Head of Department

2. Section/Unit Request

The request must be prepared by the Section/Unit Head or officer responsible for requesting goods and services. A copy of the request should be kept for the Section/Unit records in date order.

Request for stock items goes to the Supplies Officer prior to being sent to Accounts and non-stock items go directly to the Accounting Officer. The request once received by Accounts is recorded in the goods request register in date and number order.

The request form must be approved by the Head of Accounts who verifies that funds are available and that goods and services are complying with regulations and then forwards form to Permanent Secretary or Head of Department for approval. If items are rejected for lack of funds or not complying with regulations, it is forwarded to the Permanent Secretary or Head of Department on a rejection form. The rejected request is noted in the goods request register.

The Supplies/Accounting Officer, once satisfied that there is justification for the goods or services being requested, approves the request by signing and dating the request and the routing sheet in the appropriate spaces provided.

The Accounting Officer would have the request audited, checking for the quotations, date of quotation and calculations. A minimum of three quotes must be attached. Where three quotes are not obtainable, the reason must be stated on the request.

The Supplies/Accounting Officer, in cases where there are no quotes or insufficient quotes, if possible will obtain the necessary quotes or additional quotes.

In smaller Ministries/Departments without a Supplies Section, all requisitions will go directly to the Accounting Officer.

For goods/services valued at \$50,000 or greater, the Tenders Board process is initiated. The Financial Regulations found in Chapter 359 Section 21 of the Financial Administrative and Audit Act (Commencement 14th February, 1975) established the Government Tenders Board and Award of Contracts by such Board and by the Government.

The Financial Regulations states that the Tenders Board shall consist of the following three (3) members who constitute a quorum:

1. the Financial Secretary, who shall be the Chairman;
2. the Permanent Secretary of the Ministry of Works;
3. the Permanent Secretary of the Ministry of Health; and
4. such other public officers not exceeding three as may be appointed by the Minister in writing from time to time.

The Chairman shall in the case of any equality of votes have a second or casting vote. The Minister may appoint a public officer to be secretary to the Board. The functions of the Board shall be to make recommendations to the Minister of Finance for the award of contracts for supplies, works and services required by the Government in excess of fifty thousand dollars (\$50,000) but not exceeding two hundred and fifty thousand dollars (\$250,000). All awards of contracts for supplies, works and services required by the Government for amounts in excess of two hundred and fifty thousand dollars (\$250,000) shall be made by the Cabinet.

Board Meetings

Meetings of the Tenders Board are held at the Ministry of Finance each Tuesday at 10:00 a.m.

Tender Submission and Evaluation

Advertisements in local newspapers and other media for consultancies should run for 2-4 weeks, usually appearing twice per week in major newspapers.

Notices of tender openings should be sent to the attention of the Ministry of Finance at least two weeks in advance. Tender envelopes submitted by the general public are addressed to the Financial Secretary/Chairman of the Tenders Board with identification of tender project; bids must arrive in triplicate within a sealed envelope. The envelopes are received by the receptionist at the Ministry of Finance and are stamped with a battery operated date stamp and a Ministry of Finance crest stamp and initialed by the receptionist. They are recorded in a log book and the deliverer signs his/her name in the book. The receptionist then places the envelopes in one of two locked boxes next to her work station.

A representative of the project execution agency must be present at tender opening. Representatives are given copies of tenders for evaluation and are to return to Tenders Board meeting with a recommendation within two weeks inclusive of an evaluation report.

The tender evaluation should contain a recommendation with a justification of choice along with a matrix of all bidding entities for easy comparison/review.

In extraordinary circumstances or if well justified, the Tenders Board will agree to sole sourcing or to selecting a bid other than the lowest bid.

Appendix 15 A: Tracking Tools (METT Baseline) are provided in a separate file.

Appendix 15 B: Financial Sustainability Scorecard

*Financial Sustainability Scorecard:
for National Systems of Protected Areas – The
Bahamas*



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Financial Sustainability Scorecard: For National Systems of Protected Areas

Andrew Bovarnick

August, 2007

NOTE: This document reflects the views of the author and not necessarily those of UNDP. It is work in progress and all comments and suggestions should be sent to the author at andrew.bovarnick@undp.org.

Contents

INTRODUCTION 4

FINANCIAL SCORECARD – PART I – OVERALL FINANCIAL SITUATION 8

FINANCIAL SCORECARD – PART II – ASSESSING ELEMENTS OF THE FINANCING SYSTEM 12

FINANCIAL SCORECARD – PART III – SCORING AND MEASURING PROGRESS 19

NOTES AND CONCLUSION 20

Electronic downloadable versions:

<http://www.undp.org/gef/05/kmanagement/newpublication.html>

INTRODUCTION

Context

Protected area financing is critical for sound protected area (PA) management. However, globally, protected area financing needs to be improved at both site and system level. Hence, developing long-term financing systems is a key element for protected areas sustainability.

Protected area “financial sustainability” refers to the ability of a country to meet all costs associated with the management of a protected area system. This implies a funding “supply” issue of generating more revenue, but just as importantly, a “demand” side challenge of managing PA financing needs (at sites and at the system level). PA financial sustainability needs to be addressed from both sides of the financial equation.

It is this systematic process of defining costs and identifying ways to meet those costs that constitutes financial planning. Good financial planning enables PA managers to make strategic financial decisions, such as re-allocating spending to match management priorities, and identifying appropriate cost reductions and potential cash flow problems.

In addition to cost and revenue concerns, a third area that requires special consideration in order to achieve PA financial sustainability is institutional arrangements. Responsibility for PA management and financing are often shared across various institutions and roles need to be clarified and harmonized for effective financial planning and budgeting. Furthermore, within these managing institutions, efficient and transparent mechanisms for collecting and managing PA-related fees are often not in place.

Therefore, UNDP has developed this scorecard to assist project teams and governments track their progress in making PA systems more financially sustainable. The scorecard has been designed at the PA system level and not site level because:

- There are activities required at a national level and not just at site level, such as policy reform, fund management and setting PA fees, which can affect all PAs;
- There are activities that require a coordinated effort and support from several government institutions, particularly the Ministry of Finance, which are best achieved through a centralized management and financing system;
- Sites will often require similar activities so it is cost-effective to provide these centrally, such as training or monitoring;
- Fundraising can be more effective if coordinated centrally;
- System level planning allows cross-subsidization between sites; and
- It can reduce competition for visitors between sites.

PA financing must be viewed at two levels. One is the basic status of a PA system’s finances – how much is being spent and how much is needed to be spent for effective management. This will look at annual expenditures, operational costs, investment needs, revenue generation etc. From this it is possible to assess financing gaps and financial targets for increasing budgets and expenditures and/or reducing management costs in order to balance accounts.

However, there are limitations to what a snapshot of a PA system's financial accounts shows about the underlying structure, health and future direction of its finance. One year there could be a high level of expenditure due to donor support, a capital injection from a debt-for-nature swap, or a jump in tourism. However, one year's financial status does not necessarily ensure the future financial health of a PA system. To fully assess if a PA system is moving towards financial sustainability, it is also important to investigate and analyse the structural foundations of what enables and promotes long-term financial improvements for PAs. A PA system's financing is based on many elements, which are becoming increasingly known, and are quite common across countries.

Purpose

The purpose of this scorecard is to assist governments, donors and NGOs to investigate and record significant aspects of a PA financing system – its accounts and its underlying structural foundations – to show both its current health and status and to indicate if the system is holistically moving over the long-term towards an improved financial situation. The scorecard is designed for national systems of PAs, but could be used by subsets such as state level PA systems.

There is a section to record overall financial status and changes to the inflows and outflows of capital of the PA system. However, the scorecard is designed to check the progress of the entire PA financing system and its foundations which will lead to the future financial viability of a PA system. Therefore, the scorecard is structured to look at elements of a financing system, described below.

These elements in themselves provide guidance on what a framework for a PA financing system should comprise. Assessing each element can help a country identify which areas of its governance structure need to be improved to enhance its PA financing system.

The questions regarding financial data also provide an opportunity for a country to assess its capacity to generate and collect cost and revenue data fundamental for PA financial planning. Where data is unavailable, provision of such data should be a priority for the country.

Whilst the scorecard recognizes the importance of cost-effective management in PA financing, it does not provide specific guidance on the use of funds. UNDP plans to develop guidance on this at a later date.

Structure

The scorecard has three sections:

Part I – Overall financial status of the protected areas system. This includes basic protected area information and a financial analysis of the national protected area system.

Part II – Assessing elements of the financing system.

Part III – Scoring and measuring progress.

Part I requires financial data to determine the costs, revenues and financing gaps of the PA system both in the current year and as forecast for the future. It provides a quantitative analysis of the PA system and shows the financial data needed by PA planners to determine financial targets and hence the quantity of additional funds required to finance effective management of their PA system. As different countries have different accounting systems, certain data requirements may vary in their relevance for each country. However, where financial data is absent, the first activity the PA authority should be to generate and collect the data.

Part II of the scorecard is compartmentalized into three fundamental components for a fully functioning financial system at the site and system level – (i) governance and institutional frameworks, (ii) business planning and other tools for cost-effective management (e.g. accounting practices) and (iii) revenue generation.

COMPONENT 1: GOVERNANCE FRAMEWORKS THAT ENABLE SUSTAINABLE PA FINANCING

Legal, policy, regulatory and institutional frameworks affecting PA financing systems need to be clearly defined and supportive of effective financial planning, revenue generation, revenue retention and management.

Institutional responsibilities must be clearly delineated and agreed, and an enabling policy and legal environment in place. Institutional governance structures must enable and require the use of effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures.

COMPONENT 2: BUSINESS PLANNING AND OTHER TOOLS FOR COST-EFFECTIVE MANAGEMENT

Financial planning, accounting and business planning are important tools for cost-effective management when undertaken on a regular and systematic basis. Effective financial planning requires accurate knowledge, not only of revenues, but also of expenditure levels, patterns and investment requirements. Options for balancing the costs/revenues equation should include equal consideration of revenue increases and cost control. Good financial planning enables PA managers to make strategic financial decisions, such as allocating spending to match management priorities and identifying appropriate cost reductions and potential cash flow problems. Improved planning can also help raise more funds as donors and governments feel more assured that their funds will be more effectively invested in the protected area system.

COMPONENT 3: TOOLS AND SYSTEMS FOR REVENUE GENERATION AND MOBILIZATION

PA systems must be able to attract and take advantage of all existing and potential revenue mechanisms within the context of their overall management priorities. Diversification of revenue sources is a powerful strategy to reduce vulnerability to external shocks and dependency on limited government budgets. Sources of revenue for protected area systems can include traditional funding sources, such as tourism entrance fees, along with innovative ones, such as debt swaps, tourism concession arrangements, payments for water and carbon services, and in some cases, carefully controlled levels of resource extraction.

Part III summarizes the total scores and percentages scored by the country in any given year when the exercise is completed. It shows the total possible score and the total actual score for the PA system and presents the results as a percentage.

Scoring

The Scorecard should be completed every year to show the yearly situation in the protected area system and changes over time. The first year the Scorecard is completed becomes the baseline year and this stays fixed. Then every subsequent year the Scorecard should be completed and the results compared to the baseline data and data from previous years to show the annual progress of the country.

Each year the scores within Part II should be totaled for each Component and these sub-totals added together to reach an overall score for the national PA system.

In each country, certain elements may be more important and difficult to achieve than others. In this case, country teams have the flexibility to modify the current weighting system and change the number of points allocated to a certain element so the scoring better suits their national conditions. Any modifications to scoring should be transparent and footnoted.

Additionally, if a specific element or sub-element is not appropriate for a country then it and its associated maximum scores can be taken out of the total possible scoring. In this way, the total score can be adjusted to fit the country conditions. Because this means the total possible score may vary, countries should present annual scores as a percentage (actual score compared to total possible score).

The percentage of achievement of each Component should be presented. This allows a comparison of advance of the financing system within each Component and can aid countries in identifying where their weaknesses and strengths are within their financing systems. Where lower scores are identified, the corresponding areas should be a focus for future intervention and capacity building. The percentages will also permit comparisons across countries.

FINANCIAL SCORECARD - PART I – OVERALL FINANCIAL STATUS OF THE PROTECTED AREAS SYSTEM

Basic Protected Area System Information			
Describe the PA system and what it includes:			
<p>This could be defined by IUCN Categories I-VI. However, if a country defines its PA system differently or has multiple PA systems then insert a definition that best describes the system about which the Scorecard is presenting data. For example some PA systems have a mixture of public, private and mixed ownership protected areas. What is important is for each country to explain and state which types of protected areas are included in the defined system and financial analysis. Some countries have private reserves separate from the national PA system. In these cases it is optional to report these here in an additional category in the tables (under other) as they do not fall under the responsibility of the government.</p> <p>Also include any additional specific characteristics of the national PA system that might affect its financing.</p>			
Protected Areas System	Number of sites	Total hectares	Comments
National protected areas	29	335,772	Includes 25 national parks, 3 marine reserves and 1 heritage site
National protected areas co-managed by NGOs	NA		
State/municipal protected areas	NA		
Others (define)	NA		

Financial Analysis of the National Protected Area System	Baseline year ⁹ (US\$) ¹⁰	Year X ¹¹ (US\$) ¹²	Year X+5 ¹³ (forecasting) (US\$) ¹⁴	Comments ¹⁵
Available Finances	2006			
(1) Total annual central government budget allocated to PA management (excluding donor funds and revenues generated (4) and retained within the PA system)				
- national protected areas	US\$3.1 million			Actual amounts
- national areas co-managed by NGOs	NA			
- state/municipal protected areas	NA			
- others	NA			
(2) Total annual government budget provided for PA management (including donor funds, loans, debt-for nature swaps)				
- national protected areas	US\$4.4 million			70% provided by Government, remaining funds from the BNT Heritage Fund, bi-multi-laterals, private donations to BNT, NGO grants to BNT
- national areas co-managed by NGOs	NA			
- state/municipal protected areas	NA			
- others	NA			

⁹ The baseline year refers to the year the Scorecard was completed for the first time and remains fixed. Insert year eg 2007.

¹⁰ Insert in footnote the local currency and exchange rate to US\$ and date of rate (eg US\$1=1000 colones, August 2007)

¹¹ X refers to the year the Scorecard is completed and should be inserted (eg 2008). For the first time the Scorecard is completed X will be the same as the baseline year. For subsequent years insert an additional column to present the data for each year the Scorecard is completed.

¹² Insert in footnote the local currency and exchange rate to US\$ and date of rate

¹³ Year X+5 refers to forecasting annual data for five years in the future from the year the Scorecard is being completed. The data should be for one year (eg is year X is 2008 then the data should be presented for year 2013). The data would be based on long-term financial plans. If no financial planning has been done then this column can be left blank.

¹⁴ Insert in footnote the local currency and exchange rate to US\$ and date of rate

¹⁵ Comment should be made on robustness of the financial data presented (low, medium, high)

(3) Total annual revenue generation from PAs, broken down by source				
a. Tourism - total	\$79,000			Number of visitors to PAs not known
- Tourism taxes	NA			
- Entrance fees	NA			
- Additional user fees	\$79,000			BNT only
- Concessions	NA			
b. Payments for ecosystem services (PES)	NA			
c. Other (specify each type of revenue generation mechanism)	NA			
(4) Total annual revenues by PA type ¹⁶				
- national protected areas	\$79,000			
- national areas co-managed by NGOs	NA			
- state/municipal protected areas	NA			
- others	NA			
(5) Percentage of PA generated revenues retained in the PA system for re-investment ¹⁷	100%			
(6) Total finances available to the PA system [government budget plus donor support etc (2)] plus [total annual revenues (4) multiplied by percentage of PA generated revenues retained in the PA system for re-investment (5)]	US\$4.5 million			

¹⁶ This total will be the same as for (3) but broken down by PA type instead of by revenue type

¹⁷ This includes funds to be shared by PAs with local stakeholders

Costs and Financing Needs				
(7) Total annual expenditure for PAs (operating and investment costs) ¹⁸	NA			State any extraordinary levels of capital investment in a given year
- national protected areas	NA			
- national protected areas co-managed by NGOs	NA			
- state/municipal protected areas	NA			
- others	NA			
(8) Estimation of financing needs	US\$9 million			2009 need
A. Estimated financing needs for <i>basic</i> management costs and investments to be covered	US\$9 million			
B. Estimated financing needs for <i>optimal</i> management costs and investments to be covered	NA			
(9) Annual financing gap (financial needs – available finances) ¹⁹				
A. Net actual annual surplus/deficit ²⁰	- US\$4.5 million			
B. Annual financing gap for basic expenditure scenarios	US\$4.5 million			
C. Annual financing gap for optimal expenditure scenarios	NA			

¹⁸ In some countries actual expenditure differs from planned expenditure due to disbursement difficulties. In this case actual expenditure should be presented and a note on disbursement rates and planned expenditures can be made in the Comments column.

¹⁹ Financing needs as calculated in (8) minus available financing total in (6)

²⁰ This will be more relevant to parastatals and PA agencies with autonomous budgets

FINANCIAL SCORECARD – PART II – ASSESSING ELEMENTS OF THE FINANCING SYSTEM

Component 1 – Legal, regulatory and institutional frameworks					COMMENT
<i>Element 1 – Legal, policy and regulatory support for revenue generation by PAs</i>	None (0)	Some (1)	A few (2)	Fully (3)	
(i) Laws are in place that facilitate PA revenue mechanisms		1			BNT Act only
(ii) Fiscal instruments such as taxes on tourism and water or tax breaks exist to promote PA financing	0				
<i>Element 2 - Legal, policy and regulatory support for revenue retention and sharing within the PA system</i>	No (0)	Under development (1)	Yes, but needs improvement (2)	Yes, satisfactory (3)	
(i) Laws, policies and procedures are in place for PA revenues to be retained by the PA system			2		BNT Act only, lack national policy to collect tourism derived PA specific fee
(ii) Laws, policies and procedures are in place for PA revenues to be retained, in part, at the PA site level			2		BNT Act only
(iii) Laws, policies and procedures are in place for revenue sharing at the PA site level with local stakeholders	0				
<i>Element 3 - Legal and regulatory conditions for establishing Funds (trust funds, sinking funds or revolving funds)²¹</i>					
	No (0)	Established (1)	Established with limited capital (2)	Established with adequate capital (3)	
(i) A Fund have been established and capitalized to finance the PA system	0				
	None (0)	Some (1)	Quite a few (2)	Fully (3)	
(ii) Funds have been created to finance specific PAs		1			BNT's Heritage Fund (specific to national parks)

²¹ Where a PA system does not require a Trust Fund due to robust financing within government, award full 9 points

	No (0)	Partially (1)	Quite well (2)	Fully (3)	
(iii) Funds are integrated into the national PA financing systems	0				
Element 4 - Legal, policy and regulatory support for alternative institutional arrangements for PA management to reduce cost burden to government	None (0)	Under development (1)	Yes, but needs improvement (2)	Yes, Satisfactory (3)	
(i) There are laws which allow and regulate delegation of PA management and associated financial management for concessions		1			AMMC specific
(ii) There are laws which allow and regulate delegation of PA management and associated financial management for co-management		1			AMMC specific
(ii) There are laws which allow and regulate delegation of PA management and associated financial management to local government			2		AMMC specific
(iv) There are laws which allow private reserves		1			AMMC specific
Element 5 - National PA financing strategies	Not begun (0)	In progress (1)	Completed (3)	Under implementation (5)	
(i) Degree of formulation, adoption and implementation of a national financing strategy				5	
(ii) The inclusion within the national PA financing strategy of key policies:	No (0)	Yes (2)			
- Revenue generation and fee levels across PAs	0				Specify the tariff levels for the PAs
- Criteria for allocation of PA budgets to PA sites (business plans, performance etc)	0				List the budget allocation criteria
- Safeguards to ensure that revenue generation does not adversely affect conservation objectives of PAs	0				
- Requirements for PA management plans to include financial sections or associated business plans	0				
Element 6 - Economic valuation of protected area systems (ecosystem services, tourism based employment etc)	None (0)	Partial (1)	Satisfactory (2)	Full (3)	
(i) Economic data on the contribution of protected areas to local and national development	0				Provide summary data of value
(ii) PA economic values are recognized across government	0	(eg within Ministry of Environment)	(eg within other sectoral Ministries)	(eg within Treasury)	

Element 7 - Improved government budgeting for PA systems	No (0)	Yes (2)			
(i) Policy of the Treasury towards budgeting for the PA system provides for increased medium to long term financial resources in accordance with demonstrated needs of the system.	0				
(ii) Policy promotes budgeting for PAs based on financial need as determined by PA management plans.	0				
(iii) There are policies that PA budgets should include funds for the livelihoods of communities living in and around the PA as part of threat reduction strategies	0				
Element 8 - Clearly defined institutional responsibilities for PA management and financing	None (0)	Partial (1)	Improving (2)	Full (3)	
(i) Mandates of institutions regarding PA finances are clear and agreed			2		
Element 9 - Well-defined staffing requirements, profiles and incentives at site and system level	None (0)	Partial (1)	Almost there (2)	Full (3)	
(i) There are sufficient number of positions for economists and financial planners and analysts in the PA authorities to properly manage the finances of the PA system	0				
(ii) Terms of Reference (TORs) for PA staff include responsibilities for revenue generation, financial management and cost-effectiveness		1			BNT (Exuma Cays Land & Sea Park only), AMMC
(iii) Laws and regulations motivate PA managers to promote site level financial sustainability (eg a portion of site generated revenues are allowed to be maintained for on-site re-investment and that such finances are additional to government budgets and not substitutional)	0				
(iv) Performance assessment of PA site managers includes assessment of sound financial planning, revenue generation and cost-effective management	0				
(v) PA managers have the possibility to budget and plan for the long-term (eg over 5 years)		1			BNT, AMMC
Total Score for Component 1					Actual score: 20 Total possible score: 78 #: 26%

Component 2 – Business planning and tools for cost-effective management					Comment
Element 1 – PA site-level business planning	Not begun (0)	Early stages (1)	Near complete (2)	Completed (3)	
(i) PA management plans showing objectives, needs and costs are prepared across the PA system		1			< 3% of PA sites have completed management plans
(ii) Business plans, based on standard formats and linked to PA management plans and conservation objectives, are developed for pilot sites		1			< 3% of PA sites have completed management plans
(iii) Business plans are implemented at the pilot sites (degree of implementation measured by achievement of objectives)		1			< 3% of PA sites have completed management plans
(iv) Business plans are developed for all appropriate PA sites (business plans will not be useful for PAs with no potential to generate revenues)		1			< 3% of PA sites have completed management plans
(v) Financing gaps identified by business plans for PAs contribute to system level planning and budgeting		1			< 3% of PA sites have completed management plans
(vi) Costs of implementing business plans are monitored and contributes to cost-effective guidance and financial performance reporting		1			AMMC only
Element 2 - Operational, transparent and useful accounting and auditing systems	None (0)	Partial (1)	Near complete (2)	Fully completed (3)	
(i) Policy and regulations require comprehensive, coordinated cost accounting systems to be in place (for both input and activity based accounting)		1			BNT, AMMC
(ii) There is a transparent and coordinated cost and investment accounting system operational for the PA system		1			BNT, AMMC
(iii) Revenue tracking systems for each PA in place and operational		1			BNT (Exuma Cays Land & Sea Park only)
(iv) There is a system so that the accounting data contributes to national reporting	0				
Element 3 - Systems for monitoring and reporting on financial management performance	None (0)	Partial (1)	Near completed (2)	Complete and operational (3)	
(i) All PA revenues and expenditures are fully and accurately reported by government and are made transparent		1			BNT, AMMC
(ii) Financial returns on investments from capital improvements measured and reported, where possible (eg track increase in visitor revenues before and after establishment of a visitor centre)	0				

(iii) A monitoring and reporting system in place to show how and why funds are allocated across PA sites and the central PA authority	0				
(iv) Financial performance of PAs is evaluated and reported (linked to cost-effectiveness)		1			AMMC only
Element 4 - Methods for allocating funds across individual PA sites	No (0)	Yes (2)			
(i) National PA budget is appropriately allocated to sites based on criteria agreed in national financing strategy	0				
(ii) Policy and criteria for allocating funds to co-managed PAs complement site based fundraising efforts	0				
Element 5 - Training and support networks to enable PA managers to operate more cost-effectively	Absent (0)	Partially done (1)	Almost done (2)	Fully (3)	
(i) Guidance on cost-effective management developed and being used by PA managers	0				
(ii) Operational and investment cost comparisons between PA sites complete, available and being used to track PA manager performance	0				
(iii) Monitoring and learning systems of cost-effectiveness are in place and feed into management policy and planning	0				
(iv) PA site managers are trained in financial management and cost-effective management	0				
(v) PA site managers share costs of common practices with each other and with PA headquarters ²²	0				
Total Score for Component 2					Actual score: 11 Total possible score: 61 #: 18%

²² This might include aerial surveys, marine pollution monitoring, economic valuations etc.

Component 3 – Tools for revenue generation					Comment
Element 1 - Number and variety of revenue sources used across the PA system	None (0)	Partially (1)	A fair amount (2)	Optimal (3)	
(i) An up-to-date analysis of all revenue options for the country complete and available including feasibility studies;			2		Options provided via Sustainable Finance Plan, lack feasibility studies
(ii) There is a diverse set of sources and mechanisms generating funds for the PA system		1			BNT only
(iii) PAs are operating revenue mechanisms that generate positive net revenues (greater than annual operating costs and over long-term payback initial investment cost)	0				
Element 2 - Setting and establishment of user fees across the PA system	No (0)	Partially (1)	Satisfactory (2)	Fully (3)	
(i) A system wide strategy and implementation plan for user fees is complete and adopted by government	0				
(ii) The national tourism industry and Ministry are supportive and are partners in the PA user fee system and programmes		1			AMMC specific
(iii) Tourism related infrastructure investment is proposed and is made for PA sites across the network based on revenue potential, return on investment and level of entrance fees ²³		1			AMMC specific
(iv) Where tourism is promoted PA managers can demonstrate maximum revenue whilst still meeting PA conservation objectives	0				
(v) Non tourism user fees are applied and generate additional revenue	0				
Element 3 - Effective fee collection systems	None (0)	Partially (1)	Completed (2)	Operational (3)	
(i) A system wide strategy and implementation plan for fee collection is complete and adopted by PA authorities (including co-managers)		1			AMMC specific
Element 4 - Marketing and communication strategies for revenue generation mechanisms	None (0)	Partially (1)	Satisfactory (2)	Fully (3)	
(i) Communication campaigns and marketing for the public about the tourism fees, new conservation taxes etc are widespread and high profile	0				

²³ As tourism infrastructure increases within PAs and in turn increases visitor numbers and PA revenues the score for this item should be increased in proportion to its importance to funding the PA system.

<i>Element 5 - Operational PES schemes for PAs²⁴</i>	None (0)	Partially (1)	Progressing (2)	Fully (3)	
(i) A system wide strategy and implementation plan for PES is complete and adopted by government	0				
(ii) Pilot PES schemes at select sites developed	0				
(iii) Operational performance of pilots is evaluated and reported	0				
(iv) Scale up of PES across the PA system is underway	0				
<i>Element 6 - Operational concessions within PAs</i>	None (0)	Partially (1)	Progressing (2)	Fully (3)	
(i) A system wide strategy and implementation plan complete and adopted by government for concessions		1			AMMC specific
(ii) Concession opportunities are identified at appropriate PA sites across the PA system		1			AMMC specific
(iii) Concession opportunities are operational at pilot sites		1			AMMC specific
(iv) Operational performance of pilots is evaluated, reported and acted upon		1			AMMC specific
<i>Element 7 - PA training programmes on revenue generation mechanisms</i>	None (0)	Limited (1)	Satisfactory (2)	Extensive (3)	
(i) Training courses run by the government and other competent organizations for PA managers on revenue mechanisms and financial administration	0				
Total Score for Component 3					Actual score: 10 Total possible score: 57 #: 18%

²⁴ Where PES is not appropriate or feasible for a PA system take 12 points off total possible score for the PA system

FINANCIAL SCORECARD – PART III – SCORING AND MEASURING PROGRESS

Total Score for PA System	41
Total Possible Score	196
Actual score as a percentage of the total possible score	21%
Percentage scored in previous year²⁵	NA

Signature²⁶: _____

Director of Protected Areas System

Date: _____

²⁵ Insert NA if this is first year of completing scorecard.

²⁶ In case a country does not have an official national Protected Areas system, the head of the authority with most responsibility for protected areas or the sub-system detailed in the Scorecard, should sign.

NOTES AND CONCLUSIONS

Interviews to assist with the completion of this scorecard were held with staff from the Bahamas National Trust and the Department of Marine Resources on Wednesday, April 15, 2009. Furthermore, a workshop, with attendees from the Bahamas National Trust (BNT), Department of Marine Resources (DMR), Bahamas Environment, Science and Technology (BEST) Commission, Antiquities, Monuments and Museums Corporation (AMMC), Ministry of Tourism and Aviation, The Nature Conservancy (TNC), and the United Nations Environment Programme (UNEP), was held on Thursday, April 16, 2009 to present draft findings and solicit feedback in order to finalize this scorecard. See attached for a complete list of attendees to this workshop.

The financial analysis, which was completed based on a review of the recently completed “Sustainable Finance Plan for the Effective Management of the Bahamas National System of Protected Areas” demonstrates a fairly large – but not insurmountable – annual funding gap of US\$4.5 million for the Bahamas PA system.

The overall score for the Financial Scorecard for the Bahamas Protected Area system was a total of 41 out of a possible 196 points, or 21%. Of note, 14 of the 41 points were specific to just AMMC, which is responsible for managing a very small portion of the PA system - both in terms of actual sites and spatial coverage (<1%). Removing these 14 points, the overall score would have been just 27 of 196 points, or just 14%. Obviously, this score demonstrates a clear need to address the many shortfalls in financing the Bahamas National System of Protected Areas. Furthermore, the fact that many of the points were generated by AMMC indicates that the remaining agencies with the majority of the responsibility for managing the Bahamas PA system (BNT and DMR specifically) could gain from implementing similar policies.

Looking at the scores by component, the Bahamas PA system scored best in the first component “Legal, regulatory and institutional frameworks” with a total of 20 out of a possible 78 points, or 25%. Five of the 20 points were specific to AMMC – specifically with regards to policies for alternative institutional management of PAs. Again, this presents an opportunity for the other agencies with primary responsibility for managing the PA system to review and potentially adopt some of the policies (as applicable) already in place for the AMMC. There are a number of planned activities that would be expected to raise this section’s score in the future, including the establishment and capitalization of a PA Trust fund and the economic valuation of protected areas.

The Bahamas PA system scored lowest in the second component “Business planning and tools for cost-effective management” with a total of 11 out of a possible 61 points, or 18%. There are a number of planned activities that would be expected to raise this section’s score in the future, including the further completion of PA site-level business planning.

The Bahamas PA system scored slightly better (compared to the second) in the third component “Tools for revenue generation by PAs” with a total of 10 out of a possible 57 points, or 18%. Of note, a majority (7 of 10) of these points were specific to AMMC – specifically with regards to setting and establishment of user fees and concessions operating within PAs. Again, this demonstrates an opportunity for the other agencies with primary responsibility for managing the PA system to review and potentially adopt some of the policies (as applicable) already in place for the AMMC.

In conclusion, the completion of this Financial Scorecard provides some clear guidance on specific areas for improving the financial health of the Bahamas National Protected Area System including:

- New laws or policies to facilitate PA revenue generation
- New fiscal instruments such as taxes on tourism and water to generate sustainable financing for the PA system
- Training and support networks for PA managers to operate cost-effectively
- Setting and establishment of user fees across the PA system
- Development of effective fee collection systems
- Development of marketing & communication strategies for revenue generation systems
- Operational Payment for Ecosystem Services (PES) schemes
- Concessions operating in the PA systems