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UNITED NATIONS DEVELOPMENT PROGRAMME
Project of the Government of Maldives

Project Budget No: MDV/98/G41/A/1G/31
 Project Title: Conservation and Sustainable Use of Coral Reefs (PDF-A)
 Project Short Title: Coral Reefs (PDF-A)

Estimated Starting Date: 1 October 1998
 Estimated End Date: 28 February 1998-9

Executing Agency: UNOPS

Implementing Agency: UNDP

Project Site: Republic of Maldives

LPAC Approval Date:
 Programme Officer:

<u>Summary of UNDP & Cost Sharing (as per attached budgets)</u>			
<u>UNDP</u>	<u>Current</u>	<u>Previous</u>	<u>Change</u>
TRAC (1&2)		-	-
Other : - GEF	23148	-	-
TOTAL	23148	-	-
<u>Admin. and Operational Services</u>			
SOF 03	-	-	-
SOF 07	-	-	-
Other (GEF)	1852	-	-
TOTAL	US\$ 25,000	-	-

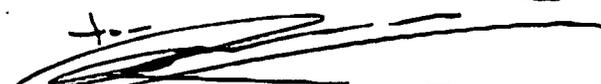
Classification Information:

DCAS sector & sub-sector: 3 Natural Resources 15 Environmental Preservation and Rehabilitation	Primary type of intervention: Capacity Building / Institution Building
ACC sector & sub-sector: 20 Environment 20 Environmental Assessment and Monitoring	Secondary type of intervention: -----
Primary areas of focus/sub-focus: 3 Promoting Environmental and Natural Resources Sustainability 19 Promotion of sustainable natural resources management	Primary target beneficiaries: 3 Target Place (Environmental Habitat) 7 Natural Features 51 Coastal Zone
Secondary areas of focus/sub-focus -----	Secondary target beneficiaries: -----

Brief Description:

The purpose of this project is to develop a PDF B project brief and PDF B project document for the Conservation and Sustainable Use of Coral Reefs in Maldives. The eventual goal of the project is to build the required capacity in the concerned Government agency for monitoring and regulating the sustainable use of Coral Reefs in order to maintain the physical and natural environment biodiversity.

On behalf of:

	<u>Signature</u>	<u>Date</u>	<u>Name and title</u>
UNDP		28 Sept. 1998	N. Kakar, Resident Representative UNDP Maldives
UNOPS		8 Oct. 1998	Ingolf Schuetz-Mueller Chief, ENVP

PART I - ELIGIBILITY

Project Name: Conservation and Sustainable Use of Biodiversity Associated with Coral Reefs in the Maldives

Country: Republic of Maldives

Country Eligibility: Convention on Biological Diversity, ratified 9 November 1992

GEF Focal Area: Biodiversity

Operational Programme: Biodiversity - Coastal, Marine and Freshwater Ecosystems-OP2

Project linkage to national priorities, action plans, and programmes:

a) Country Priority:

The proposed project addresses the national priority on sustainable resource development as follows:

- The National Environmental Action Plan (NEAP) and Work Programme supports the aims of this project as falling within the overall environmental strategy of the government for integrated resource management. Specifically, environmental assessment priority number 1 under the NEAP calls for the assessment of the health of the Maldivian coral reefs including the assessment of impacts resulting from crown of thorns predation, coral bleaching, coral mining and sand degradation, coral and coral reef growth rates, impact of tourism and sand production in natural systems.
- A small number of protected areas exist, but these are mostly designed to protect popular dive sites. The biological basis for selection of new sites is currently lacking. Similarly, coastal management plans currently exist only for selected resort sites.
- The Fifth Country Programme (1992-1996) and National Development Plan (1997-1999) identifies the sustainability of physical and natural environmental resources as one of four main priority areas.

b) Regional Agreements/Conventions:

This project is in accordance with:

- the Tropical Ocean and Global Atmosphere (TOGA) Programme of 1987 and the Global Conference on the Sustainable Development of Small Island Developing States held in 1994;
- The Malé Declaration Action Group draws the attention of the UN Agencies and its member states in recognising Small Island Developing States as possessing unique archipelago environmental and developing problems; and
- The Small States Conference on Sea Level Rise (SLR) in 1989 highlighted the significance of SLR and Sea Surface Temperature (SST) on leading to the death of corals and therefore the concomitant loss of coral and marine biodiversity.

The Global Coral Reef Monitoring Network (GCRMN) sponsored by IOC, UNEP and IUCN has set up a regional office for the South Asia node in Sri Lanka to coordinate activities and training. The coordinator has recently visited Maldives to assess the reef monitoring capacity and Maldivian representatives attended a regional workshop held in India to strengthen links within the region.

GEF Operational Focal Point and date of country endorsement:

Ministry of Planning, Human Resources and the Environment (MPHRE) – letter of endorsement received 30 April 1998

Project rationale and objectives:

The rationale for this project is based around five main issues:

- The global importance of the coral reefs of the Maldives in terms of the biodiversity and pristine nature of certain sites;
- The dependence of the country on its reefs for its existence, as well as for the majority of economic activities;
- The vulnerability of the Maldives archipelago to global climate change and sea level rise;
- Incomplete data on marine biodiversity in the Maldives and the lack of government capacity for protected area establishment and management, and associated data management and research;
- Ongoing overexploitation of natural resources which has already lead to degradation of coastal habitats and conflicts in resource use in some areas. As well as posing threats to coral reef biodiversity, degradation is likely to undermine the capacity the coral reefs to keep pace with predicted rates of sea level rise.

The objective of the proposed project is to address these global issues in the national context through providing assistance to the Republic of Maldives in building their internal capacity for i) planning and management of protected areas and the implementation of coastal management plans, and ii) associated research and monitoring for the conservation and sustainable use of coral reefs and marine resources. In particular, the project will focus on these three areas:

- Resolution of resource user conflicts and particular threats to coral reef structure and biodiversity: coral mining, reef fisheries (grouper, bait fishing), recreation / tourism industry, waste, dredging / infilling / coastal construction work. Specific demonstration sites will be used as models, and conflict resolution will be used to build capacity for sustainable use planning;
- The identification and use of key coral reef sites as protected areas and demonstration areas for integrated coastal zone and coral reef management. Capacity building within national and local government for site identification and integrated resource management. Site selection criteria, including species richness and diversity, uniqueness, and absence of serious threats, will be established and applied in order to identify priorities for protected areas;
- Assessment of the potential for the use of coral reefs species as indicators of stress, and in particular of increasing seawater temperatures associated with global warming. Bleaching of corals may be a useful environmental indicator for degradation and stressful conditions. The Maldives is a particularly appropriate place to develop and test these technologies due to the relatively pristine state some of the reef, as well as the vulnerability of the country to climate change.

Given the current conflicts in reef resource use, the threats of global climate change and the need for protection of biodiversity, there is an urgent need for management strategies to promote conservation and sustainable multiple-use policies. This proposed strategy has been designed to address these needs and build upon previous and existing projects. The project would also make significant contribution to global achievements in protecting coral reefs and contribute to our understanding of coral reef responses to climate change.

Expected outcomes:

- Identification and evaluation of coral reefs areas most at risk for anthropogenic stress and climate change, conservation priorities, including proposals for protected areas, set on a systematic basis;
- Increased institutional capacity for both government and NGOs in conservation and sustainable management of coral reefs through mechanisms such as resource use zonation, protected areas, etc;
- Coordination of institutions and organisations (ie. ERU, MRS) with common interests and aims to implement coral reef research, education and conservation programmes to contribute to effective strategies for sustainable coral reef management;
- Public awareness of the value of coral reefs, the causes and patterns of degradation and the threats imposed by climate change and sea level rise;
- Capacity to contribute to on-going national, regional and global reef monitoring projects to increase efforts to understand the current status and health of reef resources and to use this information to promote sustainable management of coral reefs;
- Capacity for easy access to scientific information through a central information management system to ensure that data is readily available to all stakeholders;

- Increased understanding of the effects of global climate change on coral reef organisms and ecosystems, the identification of indicators of global as well as localised anthropogenic change.
- Removal of the threats to biodiversity in the project target sites.

Planned activities to achieve outcomes:

An incremental costs approach will be used, which will identify those activities eligible for GEF funding. Co-financing will be sought for non-eligible activities. Project activities will include:

- Carry out consultations with local communities, government representatives, NGOs and other stakeholders in order to design and implement strategies for conflict resolution and the effective conservation of coral reefs;
- Develop a regionally accepted framework for systematically identifying ecosystems and habits and producing inventories as a basis for identifying priority areas for conservation;
- Develop management plans for priority coral reef sites to contribute to effective strategies for sustainable reef resources;
- Identify capabilities for reef research and coastal management which already exist in different agencies and their respective capacity building and training needs;
- Explore revenue generating mechanisms for the self-financing of the management of the coral reef sites, especially through tourism activities;
- Carry out a public awareness campaign at all levels, and in particular for strategic decision-makers at the local and national level, as well as for communities involved in the management of key areas.
- Carry out a targeted study on the use of indicator coral reef species as indicator(s) of sea-level rise as part of the development of a monitoring system on the health of the coral reef

International partners will be sought for this last activity. Such partners could include the Coral Health and Monitoring Program (CHAMP) of the US National Oceanic and Atmospheric Administration (NOAA); the International Coral Reef Initiative (ICRI); UNEP; the International Oceanic Commission; the University of Sydney's Coral Reef Research Institute; the Global Coral Reef Monitoring Network (GCRMN); and ICLARM.

Stakeholders involved in project:

- Local communities;
- Conservation NGOs;
- Academic and research institutions such as the Environment Research Unit (ERU);
- Government policy makers; and
- Ministry of Planning, Human Resources and the Environment.

PART II - INFORMATION ON BLOCK A PDF ACTIVITIES

Activities to be financed by the PDF:

The PDF-A funds will be used to develop a project proposal that will address the conservation and sustainable use of marine biodiversity associated with coral reefs in the Republic of Maldives, addressing threats to this biodiversity from anthropogenic activities. The focus will be on i) integrated community management of coastal and marine resources and ii) capacity building for coral reef research and management planning. The project will review the justification for a project in terms of the incremental benefit to be gained both in terms of biodiversity and habitat conservation and for research into the impacts of climate change on coral reef ecosystems.

Expected outputs and completion dates:

A PDF-B project brief, leading to a Full Project brief will be finalised for submission to the GEF Council. The preparation of the PDF-B will be completed within 4 months from the initiation of PDF-A activities.

Other possible contributors / donors and amounts:

Additional funding and co-operation will be sought from the World Bank coastal projects under development. Bilateral donors will also be sought for some activities, while the research component will be integrated into international research and monitoring programmes

Legal context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Maldives and the United Nations Development Programme signed by the parties on 25 January 1978. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided that he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- a) Revisions in, or addition to, any of the annexes of the project document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which rephrase the delivery of agreed project inputs, or reflect increased expert or other costs due to inflation, or take into account agency expenditure flexibility.

Total budget and information on how costs will be met (including the Block A grant):

Development of the GEF component is estimated at US \$25,000 to carry out consultations, reviews and proposal preparation.

		TOTAL		1998	
		m/m	US \$	m/m	US \$
10	PROJECT PERSONNEL				
	11.51 International Consultants	1.0	13,208	1.0	13,208
	11.99 Subtotal: Experts and Consultants	1.0	13,208	1.0	13,208
15	Duty Travel				
	15.01		2,000		2,000
	15.99		2,000		2,000
16	Missjon Costs				
	16.01		5,000		5,000
	16.99		5,000		5,000
17	National Professional Project Personnel				
	17.01 National Professionals		1,000		1,000
	17.99 Subtotal NPPP		1,000		1,000
19	Personnel Component Total	1.0	21,208	1.0	21,208
30	Fellowships and Conferences				
320	32 Group Workshop		1,600		1,600
	39 Component Total		1,600		1,600
50	MISCELLANEOUS				
530	53 Sundries		340		340
	59 Component Total		340		340
93	Agency Support Costs				
	93.01 Agency Support Costs		1,852		1,852
99	UNDP & Cost Sharing		25,000		25,000
999	NET CONTRIBUTION				
	TOTAL		25,000		25,000

The GEF component of this project will focus on establishing a basis for system of protected areas for biological coral reef resources and on demonstration sites where anthropogenic threats will be overcome and the conditions for sustainable use of coral reef resources established. The size of the GEF contribution to the full project will only be determined through the incremental costs analysis, but it is expected to be in the order of \$1-2 million. The government, private sector and other donors would finance components that are not eligible for GEF.

PART III - INFORMATION ON THE APPLICANT INSTITUTION

Name:

Ministry of Planning, Human Resources and the Environment
Contact Person: Mr. Mohamed Khaleel
Deputy Director of Environmental Affairs
FAX: 960- 327-351

Date of establishment, membership, and leadership:

Ministry of Planning and Environment was established on 12 November 1988.

Mandate:

- Formulates plans and co-ordinates actions for the development of the economy and country.
- Complies, maintains and disseminates data and statistics required for national planning and development.
- Plans and undertakes actions to preserve and protect the environment.
- Formulates policies and actions on population issues.
- Addresses human resource development needs.
- Provides vocational, technical, management and administrative training to Government officials and public.
- Provides meteorological services.

Recent activities / programmes, in particular those relevant to the GEF:

MDV/95/G32: National GHG Inventory and Adaptation Assessment to Climate Change

MDV/97/G31: National Biodiversity Conservation Strategy and Action Plan and Report to the CBD

PART IV - INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY

Project identification number: MDV/98/G41/A/1G/31

Implementing Agency contact person:

Mr. Tim Boyle, GEF Regional Coordinator for Biodiversity & International Waters, RBAP

Project linkage to Implementing Agency programme(s):

A Biodiversity Enabling Activity for the Republic of Maldives has been instituted with UNDP/GEF financing of US\$ 150,680. The Enabling Activity will allow the Ministry of Planning, Human Resources and the Environment to develop a National Biodiversity Strategy and Action Plan (BSAP), reflecting national aspirations and building on existing national strategies and plans. The project will allow the republic of Maldives to meet its obligations under the Convention on Biological Diversity and assist in the preparation of its Country Report to the Conference of the Parties. This PDF A project will further the capacity provided by the Enabling Activity, in concentrating on the Maldives' sustainable use of its coral reef resources.

Annex 1: Terms of Reference

a) International Consultant A (Resource/User Conflict Expert)

Duration: 14 Working Days in Maldives, 4 desk days in UK

Starting Date: Early October 1998

Site: Based in Male, with travel to Huvadhoon and other key sites as required.

Background: It is proposed that the Global Environment Facility allocate a grant of US\$25,000 to the Government of the Republic of Maldives under a Block A Project Development Facility to enable it to design a PDF Block B Brief. This brief will present a design for incremental benefits and costs for the conservation biodiversity at key coral sites and research into impacts and indicators of anthropogenic change, including global climate change.

Work Description: The international consultant will be mobilised for a period of 18 working days. He/she will, together with the international consultant B and national consultant, meet the major stakeholders (local and national government, researcher, and community organisations) and in collaboration with them prepare a detailed project plan, from which to design the PDF Block B brief. In particular, the incremental cost of proposed measures to achieve global environmental benefits will be determined. Existing and proposed national and international sustainable development plans, activities and projects will be identified and reviewed. The PDF Block B brief will propose a project design that is technically, economically, environmentally, socially, and politically feasible, and will distinguish potential GEF contributions (global incremental benefits) from non-GEF contributions.

Principle Activities:

- 1) Identify key areas of coral reef in terms of i) biodiversity importance and ii) threats. Assess main threats and resource user conflicts and look at potential for zonation, protected areas and other conservation mechanisms.
- 2) Review existing capacity for coral reef research and management, capacity building requirements and training needs.
- 3) Assess potential and requirements for community based integrated resource management at key sites.
- 4) Review recent scientific literature (published and grey) on the impact of increasing sea temperature on coral reef organisms in Maldives and elsewhere, as well as potential of climate change and assess the research required on indicators of anthropogenic change on coral reefs, in conjunction with national researchers and research organisations.
- 5) Conduct a project design workshop with the participation of the major stakeholders, including local and national government, researchers, community leaders and UNDP Country Office.
- 6) Prepare detailed project design and PDF Block B project brief, in consultation with UNDP Country Office and UNDP/GEF Headquarters to ensure that it meets with GEF eligibility criteria.
- 7) Incorporate comments from GEF Bilateral into final PDF B document.

b) International Consultant B (Institutions Expert)

Duration: 5 Working Days in Maldives, 3 desk days in UK

Starting Date: Early October 1998

Site: Based in Male.

Background: It is proposed that the Global Environment Facility allocate a grant of US\$25,000 to the Government of the Republic of Maldives under a Block A Project Development Facility to enable it to design a PDF Block B Brief. This brief will present a

design for incremental benefit and costs for the conservation biodiversity at key coral sites and research into impacts and indicators of anthropogenic change, including global climate change.

Work Description:

The international consultant will be mobilised for a period of eight working days. He/she will, together with the international consultant A and national consultant, meet the government stakeholders to review current and proposed institutional arrangements for conservation of coral reefs. This information will be analysed with data related to resource/user conflict to identify areas for improvement in the institutional arrangements. Recommendations for improved institutional arrangements will be incorporated into the PDF Block B brief. The PDF Block B brief will propose a project design that is technically, economically, environmentally, socially, and politically feasible, and will distinguish potential GEF contributions (global incremental benefits) from non-GEF contributions.

Principle Activities:

- 1) Summarize the current institutional arrangements in the Maldives covering conservation of coral reefs and their biodiversity
- 2) Review institutional requirements to address threats to coral reef biodiversity in a sustainable way under the biophysical and socio-economic conditions of the Maldives.
- 3) Design recommendations for improved institutional arrangements for conservation of coral reef biodiversity in the Maldives
- 4) Prepare detailed project design and PDF Block B project brief, in consultation with UNDP Country Office and UNDP/GEF Headquarters to ensure that it meets with GEF eligibility criteria.
- 5) Incorporate comments from GEF Bilateral into final PDF B document.

c) National Consultant

Duration: Two months

Starting Date: early October 1998

Site: Based in Male, with travel to Huvadhoo and other key sites as required.

Background: It is proposed that the Global Environment Facility allocate a grant of US\$25,000 to the Government of the Republic of Maldives under a Block A Project Development Facility to enable it to design a PDF Block B Brief. This brief will present a design for incremental benefit and costs for the conservation biodiversity at key coral sites and research into impacts and indicators of anthropogenic change, including global climate change.

Work Description:

The national consultant will be mobilised for a period of two months. He/she will, together with the international consultants, meet the major stakeholders (local and national government, researcher, and community organisations) and in collaboration with them prepare a detailed project plan, from which to design the PDF Block B brief. In particular, the incremental cost of proposed measures to achieve global environmental benefits will be determined. Existing and proposed national and international sustainable development plans, activities and projects will be identified and reviewed. The PDF Block B brief will propose a project design that is technically, economically, environmentally, socially, and politically feasible, and will distinguish potential GEF contributions (global incremental benefits) from non-GEF contributions.

Principle Activities:

- 1) Identify key areas of coral reef in terms of i) biodiversity importance and ii) threats. Assess main threats and resource user conflicts and look at potential for zonation, protected areas and other conservation mechanisms.
- 2) Review existing capacity for coral reef research and management, capacity building requirements and training needs.

- 3) Assess potential and requirements for community based integrates resource management at key sites. In particular, the national consultant will be required to assess the cultural and socio-economic capacity for community management in the Maldives.
- 4) Facilitate collection and analysis of background data essential for formulation of the project brief, and especially the incremental costs analysis, through meetings and consultations with governmental and non-governmental agencies.
- 5) Conduct a project design workshop with the participation of the major stakeholders, including local and national government, researchers, community leaders and UNDP Country Office.
- 6) Prepare detailed project design and PDF Block B project brief, in consultation with UNDP Country Office and UNDP/GEF Headquarters to ensure that it meets with GEF eligibility criteria. The national consultant will be required to provide national guidance to the formulation of the project brief beyond the completion of the international consultants' contracts.
- 7) Present the PDF B to the local PAC; finalize local PAC minutes.
- 8) After GEF Bilateral approval, the National Consultant will be responsible for converting the GEF project budget into a UNDP project budget.