



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Integrating biodiversity safeguards and conservation into planning and development in Palau			
Country(ies):	Palau	GEF Project ID: ¹	9208
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5645
Other Executing Partner(s):	Ministry of Natural Resources, Environment and Tourism	Submission Date:	18 October 2017
		1 st Resubmission Date:	21 February 2018
		2 nd Resubmission Date:	16 May 2018
GEF Focal Area (s):	Multi-focal area	Project Duration (Months)	72
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP	<input type="checkbox"/>
Name of Parent Program	N/A	Agency Fee (\$)	402,188

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
BD-2 Program 4	Prevention, Control and Management of Invasive Alien Species	GEFTF	1,234,789	6,120,000
BD-4 Program 9	Managing the Human-Biodiversity Interface	GEFTF	1,058,390	5,550,000
LD-2 Program 3	Landscape Management and Restoration	GEFTF	176,398	935,000
LD-3 Program 4	Scaling-up sustainable land management through the Landscape Approach	GEFTF	352,797	2,750,000
SFM-1 Program 2	Identification and maintenance of high conservation value forests.	GEFTF	705,594	3,265,000
SFM-3 Program 7	Building technical and institutional capacities to identify degraded forest landscapes and monitor forest restoration.	GEFTF	705,594	4,051,306
Total project costs			4,233,562	22,671,306

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To mainstream biodiversity conservation into integrated land and seascape governance, planning and management in Palau

Project Components/Programs	Finance Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. National institutional framework for integrated land and seascape planning and management to mainstreaming biodiversity across sectors	TA	Enhanced national institutional framework for integrated planning and management of land and seascapes. This is indicated by: <i>-Increased institutional capacities for planning, implementation and monitoring landscape and seascape level plans as measured by at least 50% increase in UNDP Capacity Development Scorecard from existing baseline of:</i> <i>(i) National land/seascape capacity score of 16/63;</i> <i>(ii) State level average</i>	<u>1.1 Functional governance and coordination mechanism established to support dialogue, information flow and decision-making between state and national levels for facilitating integrated land and seascape planning and management</u> under existing National Environmental Protection Council (NEPC) with rules formed for its operation to facilitate convergence of planning, manpower and financial resources for multiple use land/seascapes to support mainstreaming of biodiversity into development planning and institutionalized, either permanently under the NEPC or under a future Bureau of Environment with formal budget and manpower. <u>1.2 Biodiversity mainstreamed into land/seascapes and key sector planning systems</u> through adoption of (a) high conservation value forest concepts into national forestry policy, strategy and practice; (b) minimum standards and procedures in business planning for ecotourism, aquaculture, agriculture,	GEFTF	1,442,000 BD: 997,000 LD: 120,000 SFM: 325,000	6,565,000

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

		<p>land/seascape capacity score of 15/60; (iii) National environmental management score of 22/45; (iv) National biosecurity score of 15/45.</p> <p>-At least 5 regulatory, policy, procedures and standards developed, approved by government and enforced for mainstreaming biodiversity into development planning.</p> <p>-Improved surveillance and controls for prevention of high risk IAS from entering Palau (as measured by 50% increased score in the GEF IAS TT) from baseline value of 9/27 to 15/27.</p> <p>- New earthmoving projects requiring EAs increased from 7.5% (2016 baseline) to 15%⁴.</p> <p>- Compliance with environmental safeguards for all permitted earth-moving projects increased from 85% to full compliance⁵.</p>	<p>and forestry (including agro-forestry); and(c) improved policies and legislation to address threats to biodiversity</p> <p>1.3 <u>Strengthened national framework for effective Invasive Alien Species (IAS) prevention and management</u> through: (a) strengthening of National Invasive Species Council Office to serve as focal point, coordinating body, communication and training centre for biosecurity activities and support for regional cooperation; (b) National Invasive Species Strategy and Action Plan (NISSAP) endorsed by national multi-sectoral and multi-stakeholder coordination committee with committed resources for implementation; (c) Specific legislation and regulations for IAS adopted and in place; (d) cost-recovery system to support biosecurity developed and effectively implemented; (f) execution of national action plan on IAS for enhanced prevention on entering country to reduce risk of spread in country and new invasions; and (g) Early Detection and Rapid Response (EDRR) mechanisms for selected terrestrial and marine environments developed and demonstrated.</p> <p>1.4 <u>Improved national and state capacity for monitoring, surveillance and compliance with laws on protected species, resource extraction, IAS control and management and biosecurity</u> developed through (a) surveillance, prevention detection, monitoring and control of IAS strengthened consistent with biosecurity requirements and international standards; (b) cross-sector plans, actions, protocols, procedures and baselines underlining roles and responsibilities of key national entities to improve joint monitoring, surveillance and enforcement by the national and state agencies developed and implemented and (c) enhanced training for domestic/state personnel and communities in monitoring, surveillance and enforcement developed and implemented.</p>			
2. Integrating biodiversity consideration into land and seascape planning and management in Babeldaob	TA/INV	<p>Integrated multi sector land and seascape “Ridge-to-Reef” planning and management operational in Babeldaob states⁶ to reduce threats to biodiversity and improve ecosystems services to benefit communities and state economies.</p> <p>This is indicated by:</p> <p>- <i>High Conservation Value Forests (with additional mangroves, forests protected from wildfires and marine</i></p>	<p>2.1. <u>Integrated Land and Seascape Plans incorporating biodiversity, ecosystem services, climate mitigation, high conservation value forests and marine resources, IAS prevention and management, and community based sustainable resource use developed, implemented and enforced</u> following (a) biological and socio-economic mapping of Babeldaob Island land/seascapes to prioritize areas conservation and sustainable natural resource management and restoration; (b) negotiation and endorsement of ILSM strategy for Babeldaob Island among relevant stakeholders; and (c) development and finalization and endorsement of the state ILSMPs that identifies on-the-ground actions to support biodiversity conservation within the five main sectors (forestry, agriculture, fisheries, ecotourism and aquaculture) as well as</p>	GEFTF	<p>1,000,000</p> <p>BD: 113,500 LD: 220,000 SFM: 666,500</p>	5,020,000

⁴ The 15% end-of-project target increase from the 7.5% baseline value (2016) is tentative and may be modified in Year 1 once 2016 and 2017 earthmoving project applications have been reviewed against revised environmental criteria to determine how many of these applications should have been subjected to EAs. Any changes will be reflected in Year 1 Progress Report.

⁵ Given existing regulations, all earth-moving projects exempt from EAs (single-family homes, “small” developments, including farms and buildings with 4 rooms or less, projects requiring upgrades to existing facilities) must comply with measures stipulated in the permit by EQPB. Compliance of 85% was recorded in 2016 for all earth-moving projects. Full compliance is at least 95% and this target will be revisited in Year 1, in line with the review mentioned above (Footnote 4).

⁶ Covering 40,900 ha of land area and 100,000 of seascape up to limits of coral reef making a total of 140,900 ha
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		<p>areas) allocated for non-exhaustive forest use of at least 15,500 ha resulting in a total avoided 435,492 tCO₂ over 20-year period</p> <p>-Restoration of approx. 1,000 ha of degraded forests and grasslands resulting in total sequestered 562,133 tCO₂ over a 20-year period</p> <p>- Community-based land, forest and marine management regimes applied in at least 500 ha resulting in sequestration of 460,681 tCO₂eq over 20-year period and in 25% increase in community incomes⁷ from current levels, of which at least 50% of beneficiaries are women.</p> <p>- Maintained or improved populations of Micronesian Imperial Pigeon (<i>Ducula oceanica</i>) and Palaun Fruit Dove (<i>Ptilinopus pelewensis</i>) from current baselines of 3,000 and 1,600 individuals respectively (2014)</p>	<p>best practices (and alternate livelihood activities) and concurrent implementation adoption.</p> <p>2.2 <u>Specific areas of high conservation value forest, coastal and marine areas designed and implemented under community governance regimes</u> through (a) defining management prescriptions for each conservation area; (b) implementation of site-specific non-exhaustive forest use practices, including wildfire and IAS prevention.</p> <p>2.3 <u>Community-based restoration of degraded forest, savannah and marine systems to improve biodiversity and ecosystem functions and services</u> through (a) assessment of best silvicultural practices to ensure maintenance of ecological features of ecosystems; (b) reduction of wildfires and IAS; (c) implementation and monitoring of restoration plans and documentation of best practices; and (d) clearly defined community rights and responsibilities, technical support and skills, funding and extension support.</p> <p>2.4 <u>Sustainable management practices implemented by local communities in terrestrial, coastal and marine ecosystems</u> through (a) implementation of best practices in soil and water conservation measures; improved production systems in agriculture, organic agriculture, forestry and fisheries; agro-forestry, improved livestock management systems, IPM, fire and IAS management and livelihoods (b) sustainable grant financing for implementation of best practices that is performance-based and designed on ensuring transparency, use of monitoring and evaluation information to adjust and refine the system in consultation with the stakeholders; (c) capacity building and skills development for promotion of improved and diversified livelihoods and sustainable natural resources management.</p>			
3. Integrated multi-sector spatial zoning, planning and management in the Southern Lagoon states of Koror and Peleliu	TA/INV	<p>Integrated multi sector planning and management operational in 264,686 ha of seascapes and coastal areas in the Southern Lagoon to reduce threats to biodiversity and improve ecosystem services to benefit communities and state economies.</p> <p>This is indicated by:</p> <p>-Maintained or Improved status of fish stocks in designated reef and seagrass beds from existing baseline of 714kg/ha (in unprotected exposed reefs having 63% of this figure compared with MPAs) and 258kg/ha in protected inner reefs (black reefs and patch</p>	<p>3.1 <u>Integrated seascape and coastal zone spatial plans incorporating ecosystems services, climate adaptation, high conservation value forests and marine resources, IAS prevention and management, community based eco tourism and sustainable resource use developed, implemented, enforced and informing priorities on land</u> through (a) biological and socio-economic mapping, boundary demarcation and zoning different uses (tourism, fisheries, aquaculture, recreation and infrastructure); (b) negotiation and endorsement of ILSM strategy for Southern Lagoon among relevant stakeholders; and (c) development and finalization and endorsement of the state ILSMPs for optimal zoning for different land uses identifies on-the-ground actions to support biodiversity conservation within the five main sectors (in particular for fisheries, ecotourism and aquaculture) as well as protocols for preventing IAS introduction and spread through the tourism and other sectors and (d) best practices (and alternate livelihood activities) and concurrent implementation adoption.</p>	GEFTF	<p>960,000</p> <p>BD: 727,750 LD: 85,000 SFM: 147,250</p>	7,395,000

⁷ Baseline household incomes from natural resource use, agriculture and other sources would be established through the village consultative process and income changes would be monitored through the implementation period of the microplans.
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		<p>reefs/reef flats) with unprotected reefs having 57% of this figure compared with MPAs</p> <p>- Maintained or increased percentage of coral cover at specified sites from existing baseline values of 27% having "medium" coral cover (25-50% cover), and 13% having "low" coral cover (<10% cover)</p> <p>- Increased nesting success rates (number of nests, number of eggs, hatchlings and survival rates) for Micronesian megapodes in selected sites previously occupied by rats (baseline to be established in Year 1)</p>	<p>3.2 <u>Responsible tourism established in coastal and marine habitats</u> through (a) improved legislation, policy and practices encouraging adoption of environmentally friendly practices; (b) strengthened protocols for prevention of IAS introduction and spread; (c) improved business planning guidelines and tools to facilitate biodiversity-friendly tourism development; (d) private-community partnerships for conservation and restoration of mangrove forests; (e) trialing improved green certification program and scaling up nationwide; and (f) piloting incentives/disincentives for biodiversity-friendly tourism development through introduction of taxes and charges/levies for non-compliance.</p> <p>3.3 <u>Improved surveillance and enforcement for tourism, fisheries and aquaculture sectors</u> to improve protection of marine and terrestrial biodiversity and reduce IAS introduction and spread and enhance biosecurity through (a) trialing of updated system of rules and regulations for enforcement and penalties for violations and misconduct in tourism, fisheries and aquaculture sectors; (b) strengthened biosecurity surveillance and enforcement of air and sea inspections, quarantine and treatment within state boundaries; and (c) enhancing capacity and skills for environmental friendly tourism and IAS prevention.</p>			
4. Gender mainstreaming, monitoring and evaluation, and knowledge management	TA/IN V	<p>Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation in Palau.</p> <p>This is indicated by:</p> <p>-At least 25% of sampled community members and 75% of sampled tour operators, resort owners, , and sector agency staff aware of potential conservation threats and adverse impacts of IAS from baseline to be established in Year 1(at least 50% women)</p> <p>- At least 90% of fifth-grade students received updated "ridge to reef" curriculum, including IAS (50% females)</p> <p>- At least 18 best practices of sustainable land, coastal and marine resource use being up-scaled by 9 communities and being used by both genders and multiple social groups.</p>	<p>4. 1 <u>Communication and gender strategies developed and implemented</u> to increase awareness on conservation, sustainable resource use and IAS threat developed and implemented at national, state and local levels through (a) development and trialing of communication strategies and plans for Babeldaob, Koror and Peleliu; (b) implementation of gender action plan to ensure that gender and socially inclusive perspective is applied to project activities; and (c) implementation of national awareness campaigns to inform policy makers, public and private sector entities, visitors and local communities, particularly on IAS and biosecurity.</p> <p>4.2. <u>Enhanced school curriculum includes IAS prevention and management</u> through (a) development of teaching materials/lessons to various subjects and grades levels to improve awareness of IAS prevention and management; (b) teacher training through country-wide workshops; and (c) nationwide extension of enhanced school curriculum.</p> <p>4.3 <u>Improved knowledge management programs developed and implemented</u> to disseminate field lessons and help inform legal and policy reform relevant to landscape and seascape conservation practice; (b) standardization of information collection and cataloging of existing information on landscape/seascape planning, IAS/biosecurity, and best practices; (c) development of biosecurity database and associated training; and (d) public access to information about the project and best practices through public information sharing platform</p>	GEFTF	<p>630,000</p> <p>BD: 345,750 LD: 79,000 SFM: 205,250</p>	2,825,000
Subtotal					4,032,000	21,805,000

Project Management Cost (PMC) ⁸	GEFTF	201,562	866,306
Total project costs		4,233,562	22,671,306

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	MNRET – Bureau of Agriculture, including Biosecurity Division	Grants	3,066,000
Recipient Government	MNRET – Bureau of Marine Resources	Grants	2,000,000
Recipient Government	MNRET – Bureau of Tourism	Grants	1,000,000
Recipient Government	MOJ – Division of Fire and Rescue, Bureau of Public Safety	Grants	360,000
Recipient Government	MOJ – Division of Fish and Wildlife Protection, Bureau of MTS & FWP	Grants	1,000,000
Recipient Government	MOJ – Division of Marine Law Enforcement, Bureau of MTS & WLP	Grants	1,290,000
Recipient Government	MOF – PALARIS, Bureau of Budget and Planning	In-Kind	750,000
Recipient Government	Environment Quality Protection Board	In-Kind	360,000
Recipient Government	Palau Community College, Cooperative Research & Extension	In-Kind	3,000,000
Recipient Government	Palau National Museum	In-Kind	175,000
Recipient Government	Aimeliik State Government	In-Kind	50,000
Recipient Government	Koror State Government	Grants	3,000,000
Recipient Government	Ngaraard State Government	Grants	300,000
Recipient Government	Ngarchelong State Government	Grants	256,826
Recipient Government	Ngatpang State Government	Grants	315,000
Recipient Government	Ngchesar State Government	Grants	50,000
Recipient Government	Ngeremlengui State Government	In-Kind	213,480
Recipient Government	Ngiwal State Government	In-Kind	30,000
Recipient Government	Peleliu State Government	Grants	1,400,000
CSO	Ebiil Society	Grants	150,000
CSO	Institute of Pacific Islands Forestry	Grants	480,000
CSO	Island Conservation	Grants	275,000
CSO	Palau Community Action Agency	In-Kind	150,000
CSO	Palau Conservation Society	Grants	500,000
CSO	Palau International Coral Reef Center	Grants	1,500,000
CSO	The Nature Conservancy	Grants	1,000,000
Total Co-financing			22,671,306

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	GEFTF	Republic of Palau	Biodiversity	N/A	2,293,179	217,852	2,511,031
UNDP	GEFTF	Republic of Palau	Land Degradation	N/A	529,195	50,274	579,469
UNDP	GEFTF	Republic of Palau	Multi-Focal Areas	SFM	1,411,188	134,062	1,545,250
Total Grant Resources					4,233,562	402,188	4,635,750

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁹

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
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⁸ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

⁹ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the GEF-6 Programming Directions, will be aggregated and reported during mid-term and at the conclusion of the replenishment period. GEF6 CEO Endorsement /Approval Template-August2016

1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	240,000 hectares
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	500 hectares
3. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO ₂ e mitigated (include both direct and indirect)	1.458 million tCO ₂ over 20-year period (see Additional Annex 2 for breakdown)

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? NA

Provide the expected project targets as appropriate.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF¹⁰

A.1. Project Description

The project will be implemented over a 6-year period, as indicated in the PIF. There are no major changes to the PIF, other than those, which are in response to comments and recommendations from the GEF Secretariat and STAP as documented in Annex B and Additional Annex 1. The latter provides the rationale for changes made to the overall project concept, the addition of a fourth Outcome, refinements to the existing three outcomes and changes to a number of outputs. Threats, impacts and barriers in the PIF have also been refined as a result of the PPG consultation process.

In accordance with the comments of STAP that the project concept was far too complicated and scattered and focused too narrowly on biodiversity safeguards, the project design has been substantially refined to focus on the integrated planning and management of land and seascapes through a “reef-to-ridge” approach. Further, the project design has prioritized cornerstone activities to ensure that the necessary foundations are in place for implementing the demonstration activities under Outcomes 2 and 3. In accordance with this operating principle, clear milestones for these cornerstone activities have been established. Capacity building measures will be delivered early on in the project, commensurate with implementation of the first tranche of project related activities.

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

There are no significant changes from the PIF, although all sections have been further elaborated. Please refer to **Section II Development challenge** in the UNDP Project Document, including the project concept and theory of change depicted on Figures 1 and 2, respectively.

2) Baseline scenario or any associated baseline projects

There are no significant changes from the PIF. However, in **Section II Development challenge, baseline scenario** and **Section IV Results and Partnerships, Parts (ii) Partnerships and (iii) Stakeholder engagement** of the UNDP Project Document, a wider range of partners are identified than in the PIF, including baseline initiatives budget estimates that will contribute to the project results.

3) Proposed alternative scenario, with brief description of expected outcomes and components of the project

Changes from the original PIF are presented in the table in **Additional Annex 1 (Changes to the Original Project Concept and Rationale)** at the end of this document. In summary:

- Outcome 1 has the same four Outputs as the PIF, with Output 1.1 addressing the multi-sectoral, multi-stakeholder institutional governance and coordination, Output 1.2 mainstreaming biodiversity across sector policy and plans, Output 1.3 focusing specifically on the preparation of a National Invasive Species and Strategic Action Plan (NISSAP), given its significance and priority for Palau, and Output 1.4 improving national capacity in effective monitoring, surveillance and compliance.

¹⁰ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

- In Outcome 2, the focus goes beyond the PIF concept of forest and landscape planning to a broader ‘ridge-to-reef mapping and planning approach that will provide the tools to inform on-the-ground actions at individual state levels to enhance biodiversity conservation (set-asides, forest restoration) and its mainstreaming across key sectors of forestry, agriculture, fisheries, ecotourism and aquaculture in Babeldaob Island. The number of outputs in Outcome 2 was reduced from 5 to 4, with interventions that promote best practices and alternative/improved livelihoods.
- Outcome 3 is also focused on land/seascape planning to optimize zoning of the coastal and marine environment for different uses. On-the-ground actions will support biodiversity-friendly developments mainly in the fisheries, aquaculture and tourism sectors, as well as developing and implementing protocols to prevent introduction and spread of IAS and to safeguard biodiversity across the tourism and related sectors.
- Outcome 4 is a new addition and includes specific activities to create awareness and improve knowledge (and access to it) about threats to biodiversity, as well as the importance of biosecurity.
- Outcomes, Outputs, Indicators and Targets have also been fine-tuned and improved in response to STAP comments and recommendations arising from specialist spatial planning and biosecurity expertise engaged during the PPG. Project indicators and targets have been refined to reflect on-ground practicalities and ecological considerations, in particular for Components 2 and 3.

The relevance and feasibility of the proposed outcomes and outputs have been confirmed (see **Figure 2 Theory of Change** and **Section IVi** of UNDP Project Document) through additional expert review and extensive consultations during the preparation phase of the project (see **Section IV Part (iii) Stakeholder engagement** of the UNDP Project Document).

4) Incremental/additional cost reasoning and co-financing

The project has been designed to be cost-effective in its approach, based on evaluating a number of strategies during project formulation. The following cost-effective approaches have been applied to the project:

- *Defining a holistic approach to project formulation*, based on adopting a ‘ridge-to-reef’ approach that connects land and seascapes. Their various interactions maximize opportunities for synergies, such that selected interventions generate multiple benefits. This is accomplished through development and implementation of well-designed conservation actions (‘set-asides’ and forest restoration), community resource management and livelihood measures in agriculture, aquaculture, fisheries and tourism that incorporate mainstreamed biodiversity policies and best practices in terms of carbon sequestration, improved food security and more resilience to climate events, whilst improving livelihood benefits, biodiversity conservation and ecosystem services.
- *Sequencing of activities*: Project design and sequencing of project activities ensures that foundation activities are completed first, such as: (i) establishing functional governance and coordinating mechanisms at the national and provincial levels; (ii) legislative and regulatory changes clarifying responsibilities of land/seascape planning, management and oversight; legislative and regulatory changes to facilitate mainstreaming of biodiversity across sector and environmental planning; and (iii) capacities are developed to provide the necessary groundwork for later demonstration of best practices under Outcomes 2 and 3. The project includes subsequent documentation and dissemination of best practices for scaling up under Outcome 4.
- *Models to demonstrate benefits*: Project design ensures selectivity in the identification and development of on-the-ground demonstration models (Outcome 2 focussing mainly on piloting forest and land restoration, sustainable natural resources management and livelihood best practices; and Outcome 3 on ecotourism best practices and updated system of rules and regulations for enforcement and penalties for violations and misconduct in tourism, fisheries and aquaculture sectors, so as to ensure cost-effectiveness in terms of avoiding duplication and ineffective spread of activities.
- *Building on existing lessons and best practices*: Project design focuses on use of available resources to the extent possible, building on the land use planning foundation being established and the information collected under the ongoing UNEP GEF 5 project. Rather than invest in extensive Land Use Plans that cannot be implemented without high levels of zoning and urban land planning expertise, this project will invest in broader land/seascape plans both for their resulting maps and for the capacity they will build. The process for land/seascape planning advocated here is both effective and cost-efficient. Rather than hire expensive external consultants, local planning teams will make use of available information to develop plans that follow the “No Regrets” principle adopted by

national policies. This results in plans that have higher levels of participation and buy-in. While simpler than plans drafted by external experts, they are more likely to be implemented.

- *Data management systems:* Adding to existing databases in-country and focusing on the development of standardized but simple information collection and databases is also a proven and effective way to gather and share data. The Communication and Knowledge Management Strategy, in particular, makes use of free and widely available forms of communication (particularly online) and capitalizes on the expected 2018 introduction of broadband internet to the country. Widespread use of the internet is anticipated, thereby spreading the web presence of the project. All biosecurity efforts will capitalize on the recent passage of the Biosecurity Act and the completion of the Regional Biosecurity Plan for Micronesia and Hawaii (RBP), thereby capturing existing momentum. The mapping processes in Outcomes 2 and 3 will incorporate and make use of the extensive data that has already been collected.

Innovative Aspects:

The project will build on and try to replicate proven “best practices” from the country and region (**Annex 4, Attachments 1 and 2** of UNDP Project Document). Palau’s move from a land-use planning approach that is largely generic in nature, lacking obligations and commitments in its execution, and limited in its multi-level integration, to a more holistic land/seascape approach is an innovative and modern approach to mainstreaming biodiversity and biosecurity that is rarely seen in the developing world. It is also innovative in that it facilitates effective ecological networking between the Protected Area Network (PAN) sites and the implementation of conservation policies at a land/seascape scales, guaranteeing for the country the long-term conservation of biodiversity and ecosystem services beyond protected area boundaries. It is new to Palau, in that the Environmental Assessment (EA) and Environment Impact Statement (EIS) processes will enable a more harmonious sustainable development of the country and an effective assessment of cumulative environmental impacts coming from the different projects, works and development initiatives in the various sectors. The creation of a national multi-stakeholder and multi-sector coordination mechanism for biodiversity conservation and biosecurity activities will ensure that resources and capacity are being used as effectively as possible. Also innovative for Palau is the inclusion of state governments and private businesses in this coordination mechanism.

Sustainability and Scaling Up:

Financial and Institutional Sustainability: The long-term commitment of the Government of Palau to protecting its natural heritage and biosecurity provides very positive signs for sustainability of project impacts. This is further evidenced by the Government having established the National Environment Protection Council (NEPC) that is mandated to:

- i. identify and prioritize national environmental issues within the context of sustainable development;
- ii. support the development of comprehensive sustainable management plans highlighting national priorities and policies;
- iii. establish clear, concise, documented and endorsed national guidelines for environmental programs and projects;
- iv. comment on environmental aspects of public and private development projects to ensure environmental sustainability and integrity;
- v. propose legislation to protect the environment; and
- vi. mobilize support and build consensus for environmental initiatives.

The project’s institutional arrangements will further build on the existing structures and establish a Joint Coordination Body (JCB) under the NEPC, with representation from states and the private sector (in addition to national government and CSOs) to implement joint land and seascape planning and to ensure that development plans mainstream biodiversity and biosecurity policies. The JCB will be initially establishing as an Ad-hoc Committee under NEPC, which has the authority to create such bodies. The JCB will also monitor the implementation of best practices and adaptive feedback through a direct financing/sub-granting scheme to be agreed in Year 1. NEPC will have the authority to guide the making of policy decisions, based on the information provided by the JCB. To ensure sustainability of institutional arrangements for land/seascape planning and mainstreaming of biodiversity and biosecurity policies into development plans, the long-term goal of the Government of Palau is to institutionalize the JCB as a permanent Bureau of the Environment (BOE) within MNRET. This is part of a long-term vision for MNRET that includes a Protected Areas Network Office working with a Land Use Planning Unit to support and streamline biodiversity goals. Formalization of the BOE as a government entity will trigger the allocation of a formal annual government budget and manpower, which will enable the achievements

of the project, in terms of land/seascape planning and management and biodiversity mainstreaming, to be scaled up and sustained over the long-term.

In addition, the GEF increment complements government activities by helping to build the capacity of existing public institutions, particularly that of the MNRET and its agencies, such as the Bureau of Agriculture (BOA), Bureau of Marine Resources (BMR), Bureau of Tourism (BOT) and Division of Biosecurity, and the Environmental Quality Protection Board (EQPB) and Division of Fish and Wildlife Protection (DFWP) in the Ministry of Justice, as well as State agencies and local communities to work in an integrated way to improve conservation outcomes and reduce the threat of IAS. The project will further strengthen existing alliances and build new ones, for IAS exclusion, control and management and, consequently, the conservation of Palau's diverse natural heritage.

To facilitate long-term sustainability of existing biosecurity activities in the country, the project will ensure the following:

- Tailored training and capacity-building to strengthen the functionality and capacities of Biosecurity Officers and national level IAS coordination;
- Establishment of new and strengthened collaborations for comprehensive IAS management and control, including strengthening of the National Invasive Species Committee and Biosecurity Division, preparation of NISSAP, risk assessment and data management and sharing;
- Outreach and awareness programs delivered at national and state levels in parallel to building local community and stakeholder support for biosecurity and IAS eradication; and
- Developing cost-recovery systems to support biosecurity.

Potential for scale-up: The project is designed to provide demonstration models for up-scaling in Palau, supported by capacity building and the development of guidelines and regulations for each aspect of the project. Ensuring that activities, impacts and lessons learnt from the demonstration sites are collated, developed into knowledge products and disseminated widely will help to generate a bottom-up demand for similar activities throughout the country. The project will seek to develop synergies among rural development actors and programs with the objective of raising additional investments that will fund and expand models of resource use and alternative livelihood activities within and beyond the targeted landscapes. This component will also seek to catalyze a process whereby regional and local NGOs, CSOs, Community Based Organizations (CBOs) and development agencies seek to obtain commitments from state budgets for sustainable resource management and related community actions.

In terms of IAS and biosecurity, the development of a national-state Early Detection and Rapid Response (EDRR) strategy, with a functional reporting system and capacity to conduct EDRR activities, will enable its trialing and expansion throughout the country. Lessons learned from demonstrating the EDRR system and IAS management will be captured in the biosecurity information management systems; and the sharing of the results nationally will help promote replication during and after the project. In addition, the project will address measures to reduce or eliminate risky practices in key IAS pathway sectors and gain practical management experience by implementing IAS strategic programs at selected high-priority ecosystems in the Southern Lagoon. This will enable the Government of Palau to realize cost effective IAS management practices over the long-term and provide models for replication.

Building the capacity of the National Invasive Species Committee and Biosecurity Division, developing the NISSAP, and outreach programs will strongly support further up-scaling. The involvement of NGOs, private businesses and local communities is also expected to lead to further support and commitment to up-scaling the project's achievements. Improvement in capacity, awareness and regulatory frameworks will ensure post-project sustainability and encourage investments in biosecurity control and management from public and private sectors, also contributing to up-scaling.

5) Global Environmental Benefits

Global environmental benefits arising from the GEF investment are summarized in the table below, which has been modified from the original PIF. Further details with regard to carbon sequestration benefits and their calculation are given in **Additional Annex 2**.

Summary of Baseline Scenario	Summary of GEF Scenario	Global Environmental Benefit
NATIONAL LEVEL		
<ul style="list-style-type: none"> • Lack of national framework for land/seascape level planning and management and absence of any guiding forest policy/strategy results in weak coordination at the national-state level and ad-hoc approach to development that does not support optimizing the resilience of the landscape, take account of ecosystem and biodiversity values nor incorporate the High Conservation Value Forest (HCVF) approach, leading to degradation of land, forest and marine ecosystems. • National Invasive Species Committee (NISC) and Biosecurity Division (BD) lack sufficient capacity to identify and respond to IAS threats, and biosecurity enforcement gaps exist across ministries and states • Forest Division lacks sufficient capacity to provide effective technical support to states on sustainable forest management. • Data collection efforts on BD and threats are fragmented and decision makers lack necessary information on the costs/benefits of different interventions or the values of biodiversity and ecosystem services to consider in landscape planning and management decisions. There is no collection of gender or socially-inclusive data. • Key stakeholders are unaware of the damaging impacts of their actions on fragile terrestrial and marine ecosystems and biodiversity, the economic implications of this degradation, regulations to protect them and the penalties for breaking these. General IAS awareness is also low. • Lack of business development plans to guide biodiversity-friendly development of national priority sectors (eco-tourism, agriculture and aquaculture), results in their <i>ad hoc</i> development and damaging practices that degrade biodiversity and ecosystem services. Absence of green certification for tourism industry means that well-performing companies are not recognized for the added value of their performance, so no incentive. • Environment Quality Protection Board (EQPB) lacks capacity to effectively develop, monitor and enforce existing regulations and effective practices across sectors: results in un-checked threats, violations and illegal development. • Gaps in legislation result in unabated threats to biodiversity as drivers of change accelerate. • Lack of adequately resourced central national office to lead on biosecurity and IAS management results in inefficient and <i>ad hoc</i> approaches to IAS, without clearly defined priorities or adequate capacity to guide or 	<ul style="list-style-type: none"> • National-State coordination and joint landscape planning platform provides forum for communication, consultation and land/seascape level planning and adoption of the HCVF/High Conservation Value Marine Areas (HCVMA) and “Ridge-to-Reef” approach; and mainstreaming and coordinating across Palau’s multiple national policies to sustain ecosystem services and conserve globally significant biodiversity. • NISC and Biosecurity Division capacitated to both respond to and manage IAS and provide technical support to states and communities. • Enforcement agencies better aligned and capacitated to protect biodiversity and maintain biosecurity. • -Forest Division capacitated to provide effective technical support to states, including adoption of the HCVF approach. • Data collection efforts are consolidated and standardized, economic valuation of different land use options conducted, and systematic monitoring protocols implemented. These are used to develop geospatial monitoring and decision support tools, resulting in strengthened capacity for landscape level planning and adaptive management. • National awareness campaigns developed, linked to incentives/disincentives and enhanced policies and enforcement systems instituted through this project increase awareness of key stakeholders and decision-makers of the impacts and consequences of their actions resulting in behavior change. • Business development plans for eco-tourism, agriculture and aquaculture and “Green Certification” for tourism demonstrate positive benefits of recognizing companies for good performance and provide incentives to raise standards of performance • EQPB better capacitated to develop, monitor and enforce regulations, resulting in increased compliance and reduced threats/degradation of biodiversity and ecosystem services. • Gaps in laws and policies that pose key threats to biodiversity and ecosystem services identified, and proposals to address these developed, proposed, legislated and enforced, thereby reducing threats. • NISC Office enabled to serve as focal point, coordinating body, communication and training centre for biosecurity activities and supported to enhance regional cooperation, coordination and implementation of priorities under regional and national action plans. • Development and execution of national action plan on IAS enhances prevention of IAS entering country, reduces risk of spread in country and new invasions at PAN sites. 	<p>SFM Benefits:</p> <ul style="list-style-type: none"> • National land/seascape planning incorporates the HCVF approach and capacities enhanced to integrate land/seascape management planning, resulting in improved functioning of terrestrial and marine ecosystem services (e.g. carbon sequestration, watershed functions, enhancement of tourism assets, improved and sustainable fisheries, forestry, aquaculture and agriculture). • 500ha of production systems brought under sustainable land management. <p>BD Benefits:</p> <ul style="list-style-type: none"> • Increased awareness of tourists, tourism operators and other stakeholders, including penalties for damaging practices, results in reduced threats to globally significant biodiversity and ecosystems. • National business development plans and improved regulatory, monitoring and enforcement framework in place to avoid, reduce, mitigate and offset adverse impacts on biodiversity across agriculture, aquaculture and tourism sectors results in improved production sector practices that integrate biodiversity concerns in their management. • National: Green label in place for environmentally friendly tourism establishments encourages and rewards good performance and raises national standards for development of responsible tourism. • Global: IAS of high risk to biodiversity, food security and economies, prevented from entering and establishing in Palau resulting in reduced threats to globally significant biodiversity, including globally endangered <i>Cycas micronesia</i>, Micronesian megapode <i>Megapodius laperouse</i> and Palauan endemic species. • Global: Improved monitoring and enforcement results in reduced threats to globally important species protected by existing and new regulations. • Global: 240,000ha of improved management of land and seascapes.

<p>implement actions effectively. IAS continue to be introduced and spread.</p> <ul style="list-style-type: none"> • Lack of strategies and actions in place to prevent highest risk IAS from entering states and impacting biodiversity and PAN sites, food security and state/national economies. • Lack of EDRR results in introduced IAS becoming established and populations growing to the point where they are very difficult to control. • Lack of adequate capacity to effectively monitor, detect, enforce and prosecute existing laws and licensing systems in Palau waters results in violations that threaten marine biodiversity. 	<ul style="list-style-type: none"> • EDRR mechanisms for terrestrial and marine environments in place, reducing IAS establishment, spread and long-term management costs. Lessons learned inform development of national EDRR systems. • Divisions of Fish and Wildlife Protection and relevant regulatory agencies capacitated to strengthen monitoring, surveillance and compliance with existing laws and to prevent and respond effectively to violations, resulting in increased compliance. 	
BABELDAOB ISLAND		
<ul style="list-style-type: none"> • Ad-hoc and unabated development leads to deforestation and degradation of native forest, threatening globally significant biodiversity and results in increasing land degradation, loss of ecosystem services, and siltation of marine environments. • Forests are susceptible to loss and degradation from IAS and wildfire around degraded areas of savannah. • Insufficient incentives to conserve native forest and biodiversity for sustainable uses. • Lack of capacity for integrated planning that links actions on land to downstream and marine impacts. • Lack of broad spatial planning leads to discrete conservation activities (e.g. establishment of MPAs) that are not adequately efficient, diversified, or effective. 	<ul style="list-style-type: none"> • Integrated land and seascape Management Plans developed, implemented and enforced for 7 States on Babeldaob Island that adopt the HCVF approach and integrate IAS and climate change considerations. These include 15,000ha of HCVF forest conserved/set aside for non-exhaustive forest use. • Community-based restoration of some 1,000ha of degraded forest/savannah to reduce risks from wildfires and IAS. • Improved capacity in effective fire management and response to reduce threats from wildfires and IAS invasions. • Development of sustainable, biodiversity friendly ecotourism products (forest bird tours, mangrove tours, that are operated in compliance with standards developed under component 1) with community participation, and visitor management capabilities. • Biodiversity friendly sustainable land and forest management practices implemented by local communities in 500ha, such as organic agroforestry using only native species, conservation agriculture, etc., with business plans in place to sustain livelihoods. 	<p>SFM Benefits: Pressures on forest landscapes reduced in 7 States of Babeldaob</p> <ul style="list-style-type: none"> • Identification, management and monitoring of HCVFs with States and participation of local communities. • Set-aside areas (HCVFs) for non-exhaustive forest use (tourism) of at least 15,500 ha results in improved functioning of ecosystem services and avoidance of loss of 435,492 tCO₂eq over a 20-year period. • Restoration of some 1,000 hectares of degraded forest/savannah reduces risks from wildfires and IAS and counteracts ongoing and past land degradation, resulting in sequestration of 562,133 tCO₂eq over a 20-year period. • Community-based land, forest and marine management regimes applied in at least 500 ha, resulting in carbon sequestration of 460,681 tCO₂eq over a 20-year period. • Enhanced local capacities emplaced for implementation and enforcement of sustainable forest and land management. <p>LD Benefits:</p> <ul style="list-style-type: none"> • Reduced land and marine habitat degradation over 7 states as result of strengthened forest conservation and management, degraded areas restored, reduced threats from IAS and wildfire, and sustainable land management practices implemented by local communities. <p>BD Benefits:</p> <ul style="list-style-type: none"> • Reduction in pressures on old and high biodiversity forests, including mangroves. • Incentives and other benefits to communities are directly linked to forest and wildlife protection, providing conservation incentive. • Reduced risks to high biodiversity forests from wildfires and spread of IAS. • -Maintained or improved populations of Micronesian Imperial Pigeon and Palaun Fruit Dove from current baselines.

SOUTHERN LAGOON STATES OF KOROR AND PELELIU		
<ul style="list-style-type: none"> • Combined pressures from multiple uses, including rapidly increasing tourism and declining fisheries results in further degradation of marine ecosystems and biodiversity with economic implications. • Increasing numbers of tourists, tour guides and operators flout regulations and degrade marine environment through careless practices such as trampling corals. • Insufficient incentives for tourism sector to implement sustainable practices in line with products developed under Component 1. • Resorts continue to be disengaged in conserving and managing the biodiversity that sustains their businesses, missing a key opportunity to add value to their business. • IAS that find a pathway through landscaped gardens enter and spread in Palau. • Rats proliferate and spread throughout Rock Islands, degrading globally significant biodiversity and harming the tourism sector as a pest and health risk. • Lack of coordination mechanism between Southern Lagoon states and national governments compounds threats to biodiversity. 	<ul style="list-style-type: none"> • Seascape spatial mainstreaming plan is developed, implemented/legislated and enforced zones for different uses for optimal management, increases compliance, reduces threats and facilitates adaptive management with an ecosystem perspective. • Biodiversity (including IAS prevention and management actions) is mainstreamed into responsible tourism guide and operator certification training, results in increased compliance and reduction of threats. • Incentives/disincentives for promoting adherence of tourism sector to new standards (e.g. introducing taxes and charges levied on tourism enterprises which are not adopting environmentally friendly practices) and strengthened surveillance and enforcement. • Piloting of private-community partnerships for conservation and restoration (e.g. hotel resort and community mangrove restoration as education feature) and working with hotels and tourist resorts to convert landscaped gardens using exotic plants to native non-invasive species and ensure non-invasive native species used in future. • Improved native biodiversity on selected limestone islands where rats (<i>Rattus</i> spp) and other IAS have been eradicated on account of improved biosecurity measures. • Legislation and associated regulations, policies, procedures, and rules are updated and aligned with national policies. 	<p>BD Benefits:</p> <ul style="list-style-type: none"> • Effective management of and reduced threats to globally significant biodiversity, including globally significant coral reef ecosystems in Palau's Southern Lagoon, indicated by improvements in fish stocks in designated zones and percentage live coral cover stable or increasing at specified critical sites during the project period. • All tour guides and operators complete the biodiversity-friendly training certification, raising standards in Palau's tourism sector and reducing threats to globally significant biodiversity. • Conservation and restoration of mangrove forests through private-community partnerships results in private sector investment in conservation and restoration of forests with local benefits. • Long-term rehabilitation of terrestrial ecosystems and biodiversity on at least 50 hectares of habitat of limestone islands where rats have been eradicated resulting in stable or increasing populations of the globally Endangered Micronesian Megapode. • Maintained or improved fish stocks in unprotected exposed outer and inner reefs. • Maintained or increased percentage of coral cover at designated sites. <p>SFM Benefits:</p> <ul style="list-style-type: none"> • Conservation and restoration of mangrove forests through private-community partnerships results in private sector investment in conservation and restoration of forests with local benefits.

A.2. Child Project N/A

A.3. [Stakeholders](#)

The project included a wide range of consultations during the PPG stage. Initial stakeholder analysis during the PIF stage was followed up with broader consultation on the design and stakeholder expectations of the project. During the PPG stage, the stakeholder analysis was updated and elaborated following consultations undertaken by the PPG team with institutional stakeholders having statutory mandates related to biodiversity conservation and biosecurity, non-governmental stakeholders (NGOs and tertiary institutions) and local communities in Babeldaob Island and Southern Lagoon states. A stakeholder validation workshop was held on June 22, 2017 in Koror to obtain the perspectives of the different stakeholders to the proposed strategy for land/seascape planning and to address IAS issues in the country. Additionally, a formal stakeholder analysis was undertaken by the PPG team and included in **Section IV Part (iii) Stakeholder engagement** of the UNDP Project Document.

Identification of potential stakeholders: Stakeholders that may be involved as active partners in the project at national, state and local levels were identified, along with their potential roles. Their details are captured in the table below. They include relevant government ministries and line agencies involved in Environment, Agriculture, Fisheries and Forestry, Marine Resources, Tourism, Lands and Education and State Representatives, NGOs, academic institutions, developers and resort owners, and local communities. These stakeholders will have specific roles in implementing the project.

Roles and responsibilities of main stakeholders of the project

Key Stakeholder	Role and responsibilities	Role in the project and involvement mechanism	Biosecurity Team	Landscape/Seascape Planning Team	Implementing Best Practices
National Government Agencies					
Ministry of Natural Resources Environment and Tourism (MNRET): Office of the Minister; Environmental Planning Unit	MNRET is responsible for oversight of government initiated agricultural, forestry, fisheries and energy programs and activities. MNRET oversees multiple natural resource management bureaus and offices, including BOA, BMR, BOT, and EPU, which will each playing a key role in project implementation.	MNRET is the Executing Agency and home of the Project Manager. This is also where alignment with GEF STAR will happen.	x	x	x
Bureau of Tourism (BOT), MNRET	Oversees Palau's tourism in Palau: responsible for industry standards (e.g. green certification) and regulations; development of National Tourism Master Plan; and Sustainable Tourism Framework.	BOT will be actively involved in development of Land/Seascape plans and implementation of Best Practices in the ground as relates to tourism.		x	x
Bureau of Agriculture (BOA) and Biosecurity Office	Key agency in IAS prevention and management, integrated land, watershed and forestry management	BOA is a member of the NISC and the driving force behind promoting sustainable agriculture. BOA will have multiple roles in the project including biosecurity and land/seascape mapping, state-based planning, and implementation of sustainable agriculture activities	x	x	x
Division of Fish and Wildlife Protection (DFWP), Ministry of Justice	Primary authority for enforcing criminal laws protecting the environment inside of reefs. DFWP also plays a role in community relations and education regarding environmental issues.	DFWP will be asked to contribute to biosecurity activities and will be a implementation partner on compliance and enforcement activities	x		x
Office of the Palau Automated Land and Resources Information Systems (PALARIS), Public Infrastructure, Industries and Commerce (MPIIC)	PALARIS provides valuable mapping services that support land use planning and management. The Bureau of Lands and Surveys is associated with PALARIS and feeds field survey data into the GIS Database housed at PALARIS.	PALARIS will be the hub of land/seascape mapping, but will play a support role for other project components		x	
Secretariat of the National Environmental Protection Council (NEPC), PALARIS, MPIIC	The NEPC consists of Government Agency heads of all of the environmental agencies, and is mandated by Executive Order. The Secretariat of the NEPC also acts as the National Environmental Planner.	The NEPC will play a large role in aligning activities across agencies and ensuring that land/Seascape Plans are mainstreamed with the Agency Plans. Through the NEPC joint work planning process, areas for joint implementation will be identified. In the long-term, a lasting Joint land/seascape Coordination Committee is to be institutionalized a permanent subcommittee of the NEPC. The Secretariat Office plays a key role in bringing all members of the NEPC together.	x	x	x
Ministry of Community and Cultural Affairs, Bureau of Aging and Gender, Gender Division	The Gender Division is tasked with completing and then implementing a National Gender Policy and working towards gender equality.	The Gender Division will ensure that gender-equal benefits are mainstreamed throughout project components and plans		x	
Autonomous Government-supported organizations					
Environmental Quality Protection Board (EQPB)	EQPB is a key organization in implementing current land management practices. EQPB regulates all development activities involving earthmoving and structural development in Palau. The agency is also responsible for regulating environmental impact statements (EIS), marine and freshwater quality, air quality, public water systems, solid waste management, toilet facilities and pesticides.	EQPB will be involved as part of the effort of transforming the way that development projects move forward, to ensure that regulations enable mainstreaming and that permits are in line with landscape plans. Inspection processes will be updated to consider alignment with Biosecurity Policies and Biosecurity.	x	x	x
Palau Public Land Authority (PPLA)	PPLA administers, manages and regulates the use of public lands and any resulting income. It also	The PPLA, and by extension the State PPLAs will play major, active roles in developing		x	

Key Stakeholder	Role and responsibilities	Role in the project and involvement mechanism	Biosecurity Team	Landscape/Seascape Planning Team	Implementing Best Practices
State Public Lands Authorities	establishes the basic guidelines and procedures for the operation of state public land authorities in each state and provides technical assistance. Each state in turn uses the authority granted to it by the PPLA to administer, manage and regulate public lands within its geographical boundaries.	land/seascape plans in aligning biodiversity policies into those plans.			
Palau International Coral Reef Center	PICRC is a key agency in researching and promoting conservation of marine ecosystems and biodiversity in Palau	PICRC may monitor aspect of project, as well as be part of marine invasive response network. PICRC will play a major role in marine spatial planning.	x	x	
Belau National Museum (BNM)	Key agency in researching and promoting conservation of terrestrial ecosystems and biodiversity	Project will partner with museum experts on birds and native diversity to conduct land/seascape mapping and planning, as well as with the Museum in general to develop new materials on IAS.	x		x
Government-Mandated Joint Committees					
National Invasive Species Committee (NISC) and NISC Chairperson	National coordinating body on IAS. Members includes: Association of State PAN Coordinators; Attorney General's Office (EQPB Legal Counsel), MOJ; Bureau of Agriculture, MNRET; Bureau of Marine Resources, MNRET; Division of Customs, Ministry of Finance; Division of Environmental Health, Ministry of Health; Division of Fish and Wildlife Protection, MOJ; Environmental Quality Protection Board; National Environment Planner, PALARIS; National Invasive Species Coordinator, Bureau of Agriculture, MNRET; Palau Conservation Society; Palau International Coral Reef Center	The NISC will play a major role in leading the Biosecurity aspects of the project.	x		
Economic Advisory Group (EAG)	This group consists of government and private organizations that advise the President on economic matters.	The EAG will be targeted as a key body with links to the private sector so as to improve mainstreaming and implementation of biodiversity policies into private sector practices.		x	x
Foreign Investment Board (FIB)	The FIB approves business proposals by foreign entities.	Project will seek ways to mainstream R2R plans and biodiversity policies into approval process.		x	
State Government					
State Governments (with emphasis on Peleliu, Koror, and 9 Babeldaob States) and Governor's Association	States are responsible for natural resource management within state boundaries. States issues leases for public lands and waters (out to 12 nautical miles). States issue business licenses.	The Project will actively involve State Governments, from the Governor to personnel, in multiple aspects of the project, from National-State Coordination to Biosecurity to lands/seascape Planning.	x	x	x
Koror State Department of Conservation and Law Enforcement (KSDCLE)	The KSDCLE manages the Rock Islands Southern Lagoon, including conservation area planning, enforcement, and training of tour operators.	Koror will be a major partner for every aspect of the project, and most activities will go through this department.	x	x	x
Foreign Governments					
USDA NRCS	Based at the US Embassy, the USDA NRCS staff person provides technical advice particularly on soils, watersheds, and agriculture.	The Project will look for ways to partner with USDA in terms of Capacity Building.			x
Taiwan Technical Mission	Based out of Republic of China (Taiwan) Embassy, the Taiwan Technical Mission plays a significant role in the expansion of agriculture in Palau through technical advice and provision of equipment.	The Project will need to be proactive in engaging with Taiwan Technical Mission to ensure that best practices are mainstreamed across their technical support, including use of native species over IAS.	x		x
Business / Private Sector					
National Development Bank of Palau (NDBP)	NDBP offers loans for development projects and small businesses, in addition to home loans.	The Project will look for ways to align land/seascape Plans and Biodiversity Policies into		x	x

Key Stakeholder	Role and responsibilities	Role in the project and involvement mechanism	Biosecurity Team	Landscape/Seascape Planning Team	Implementing Best Practices
		the approval process. It will also look for ways to partner with NDBP on Capacity Building to access loans and create eco-friendly businesses.			
Developers and Large Construction Companies (including Government’s Capital Improvement Project (CIP) Office)	Diverse group of local and foreign companies and individuals who lease or purchase land and develop businesses on them. This includes only a few construction companies but their practices play a key role in water quality and land use.	Project will look for ways to improve engagement, awareness, and mainstreaming by the private sector.	x	x	x
Commercial Farms	There were 16 commercial farms in 2015, using a mixture of traditional and organic farming, including native and non-native crops.	The Project will look for ways to improve engagement, awareness, and mainstreaming by the private sector.	x	x	x
Shippers (Air and Sea) and Importers and Port Authority	Private companies manage imports and exports from Palau, and organizations responsible for managing the airport and seaport,	The Project will look for ways to improve biosecurity, particularly for imports; as well as IAS Response.	x		
Tour Companies and Diving Shops	Participate in training programs and rapid response programs	The Project will partner with companies on	x		x
Nonprofit					
Palau Conservation Society (PCS)	PCS is a natural resource conservation organization with expertise in communication, project management, and policy development. PCS is a link to communities and a key implementation partner of the GEF STAR Project.	PCS will be fully engaged in all aspects of the program	x	x	X
Ebiil Society	Ebiil Society has been instrumental in engaging community and developing and sharing approaches in terrestrial re-vegetation, erosion control, best agriculture practices, and fire prevention. Ebiil Society manages The PACT, a group of fishers and restaurateurs that agree to source and buy sustainably caught fish from each other.	Ebiil Society will partner in land/seascape Planning, Biosecurity activities, and implementation of best practices.	x	x	
Belau Tourism Association	Membership organization for tourism businesses in Palau, which will be key to engaging private sector.	The BTA will fully engaging the tourism sector in mainstreaming and all parts of the project.			
Palau Chamber of Commerce	The Chamber of Commerce is an important partner in setting development priorities and establishing community support for management actions and will be key to private sector engagement.	Chamber, with its links to private sector, will be targeted as a key body to facilitate mainstreaming and implementation of biodiversity policies into sector’s practices.		x	X
Island Conservation	Island Conservation is implementing rodent eradication programs in Palau.	The Project will partner with IC on its rodent programs in the Rock Islands.	x		
Alliance of Palau Conservation Officers (APCO)	APCO is a collaborative capacity building network of state and national conservation officers, which coordinates regular skills development and targeted training to enhance operations and compliance.	Conservation Officers will be trained as the front lines of biosecurity and as the enforcers of land/seascape plans.	x		X
Fisheries Organizations: <ul style="list-style-type: none">• Coral Reef Research Foundation (CRRF)• Northern Reef Fisheries Cooperative		The Project will engage with CRRF on marine invasives and fisheries	x		
Land, Agriculture, and Aquaculture Organizations: <ul style="list-style-type: none">• Palau Community Action Agency (PCAA)• Palau Organic Growers Association• Palau Taiwan Farmers Association• Belau Watershed Alliance (BWA)• Palau Aquaculture Cooperative Association		The Project will engage with these partners in all key areas	x		X

Role and responsibilities of key stakeholders and their involvement mechanisms and strategies: Mechanisms and strategies for stakeholder involvement will ensure that relevant shareholders receive and share information, provide input

GEF6 CEO Endorsement /Approval Template-August2016

in the planning, design, implementation, monitoring and evaluation of project initiatives, and play a role in sustaining the initiatives during and following the closure of the project. In particular, the multi-stakeholder and multi-sectoral national coordination mechanism (JCB) will provide an opportunity for broad stakeholder participation in land/seascape planning and management, IAS management and biosecurity in the country, including development of the NISSAP and EDRR system. Through an extensive outreach program, communities, resort owners, tour operators and the general public will become aware of the long-term threat to their livelihood, health and economy and become partners in biodiversity conservation and the prevention, detection and eradication of IAS.

Further, Ministry of Natural Resources and Environment (MNRET) will be instrumental in establishing coordinative and collaborative links with key government and non-government partners and other stakeholders during the implementation of the project. MNRET will collaborate with the State Governments and NGOs to promote outreach and galvanize broad local and community support for improving biodiversity and biosecurity outcomes. Roles and responsibilities of stakeholders have been revised from the PIF and are summarized in the table below:

A.4. Gender Equality and Women's Empowerment.

A gender analysis has been completed and a Gender Action Plan developed. Please refer to **Section III, Part (iii) Mainstreaming Gender**; and **Annex 5** of the UNDP Project Document.

Based on the gender analysis, gender and social inclusion considerations have been integrated into the project design and the Gender Mainstreaming Action Plan (**Annex 5** of UNDP Project Document)). This is the first large-scale multi-stakeholder project in the environment sector that has considered issues of gender and social inclusion. Rather than focus only on gender, the project adopts Palau's Gender Division approach that does not simply focus on *women*, but rather on overall *inclusivity* and *multiple vulnerable populations*. The landscape/seascape planning component may have significant long-term impacts on both gender and social groups, and thus the Gender Mainstreaming Action Plan includes specific actions for applying a gender and socially inclusive lens to every decision, expanding representation, filling in gender and social-based research gaps, and investing in approaches to gather and share information among more groups. It is the intent of this project for it to become a model for improving gender and social mainstreaming into government and planning processes.

This investment includes support for Babeldaob's western states, which are among areas of Palau in which households, and particularly women-headed households, are most likely to be experiencing poverty. Furthermore, the project supports interventions to strengthen food security (through reducing risks from IAS and business development of sustainable biodiversity agricultural practices). The project strategy will particularly consider gender aspects to ensure that women-headed households and lower income groups receive priority access to support. The project will ensure that both women and men are offered equal training opportunities supported through this investment. The project will ensure representation of both men and women in the coordination mechanisms and platforms established. Gender disaggregated target and baseline data have been established, where appropriate, as part of the project monitoring plan.

A.5. Risk

The main risks and mitigation measures have been further elaborated from the PIF. Please refer to **Section V, Part (ii) Risk management** of the UNDP Project Document. As per standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. 5). Management responses to critical risks will also be reported in annual Project Implementation Reports.

Updated project risks are reflected in the table below:

Description	Type	Impact & Probability	Mitigation Measures	Owner
Conflicts of interest, misunderstanding different priorities and sensitivities of stakeholders constrain implementation of activities.	Social	This could derail the project schedule and minimize the utility of landscape / seascape plans P = 2, I = 3	Specific approaches will be taken to ensure that project activities are detailed in collaboration with States and local communities, so that extensive consultation including all affected groups is undertaken prior to delineation of areas to be set aside (see Annex 4). Needs and priorities of stakeholders will be identified and constructive dialogue, joint planning and problem solving will be promoted through the coordination platform, which will provide a mechanism for sharing information and generating consensus towards project goals. -A grievance redressal system (see Annex 8) provides a mechanism to address any specific community concerns.	EPU Coordinator
There could be potential restriction on the availability, quality of, and access to resources or basic services, in particular to marginalized individuals or groups?	Social	The creation of new set asides of High Conservation Value Forests on Babeldaob and zoning of the seascape of Southern Lagoon States of Koror and Peleliu for multiple different uses, community rights of access may be restricted in specific areas. P=3, I-2	-Specific approaches will be taken to ensure that project activities are detailed in collaboration with States and local communities, so that extensive consultation including all affected groups is undertaken prior to delineation of areas to be set aside (Annex 4). -Project investments will be screened to ensure that they comply with sound social and environmental principles and are sustainable, including avoidance of restriction in access to the extent feasible (see Annex 4). -Decisions regarding restrictions, if any, on resource use will not be imposed, but will evolve through an informed, transparent and consultative community consensus building process (Annex 4). Restrictions, if any, will be adequately compensated to match or exceed loss of incomes or livelihoods (an alternative livelihood development plan will be prepared early in project for any households that are likely to be denied access to resources or current livelihood practice. -A grievance redressal system (Annex 8) provides a mechanism to address any specific community concerns.	EPU Coordinator
States, Private sector, resource owners, and resource users not engaged and do not participate and follow resultant plan activities.	Political	This is a key risk and must be overcome for the project to be successful. All planning processes are moot if the resource users and owners are not willing to participate and follow best practices. P = 2, I = 3	Outcome 1 will be prioritized and individual actions (including one-on-one meetings) to bring in these key stakeholders to a common platform. . Capacity building and awareness are aimed at enhancing participation.	EPU Coordinator
Land/Seascape Plans will likely benefit the wealthy at the disadvantage of women and vulnerable groups.	Political	If stakeholders are dominated by the private sector and private interests, and the Gender Mainstreaming Action Plan is ignored, this will occur. P = 1, I = 3	- Application of “Gender Analysis and Mainstreaming Action Plan” (see Annex 5) including monitoring of specific indicators (see Annex 12) to ensure that women and vulnerable groups participate and benefit from the project investments	EPU Coordinator Yearly analysis by Gender Division
Biosecurity efforts are ineffective resulting in lack of management effort to prevent the introduction of IAS and their spread throughout the country.	Environmental	The NISSAP and EDRR must be developed based on best available knowledge and cannot wait for much additional research. Thus new and unexpected IAS may be missed. Or, the protocols advocated may be inadequate. P = 2, I = 3	- Outcome 1 Biosecurity Division, NISCO and NISC must be properly capacitated and will be seen as valuable partners in IAS control and management. -The Communications and Knowledge Management Strategy (Annex 6) will be implemented to increase awareness of the threat of IAS.	NISC NISCO Biosecurity Division
Private sector is not willing to invest in biodiversity conservation partnerships or biodiversity friendly tourism services.	Political	If there is limited consideration and acknowledgement of role of the private sector in conservation, then it is unlikely that collaboration will be achieved P = 2, I = 3	The project will work through existing organizations in Palau that already have a good relationship with the private sector to foster collaboration and seek to achieve win-win conservation/economic outcomes. For example, where biodiversity serves as a foundation for diversification of the tourism sector, the project will identify, scope and provide concrete guidance and examples of how such opportunities can be harnessed.	EPU Coordinator

Description	Type	Impact & Probability	Mitigation Measures	Owner
Insufficient funding to continue scale up Integrated land/seascape planning after the project	Financial	Lack of funding support will have serious implications for building on the learning and experiences of the project and constraints efforts at ensuring a more integrated approach to national and state planning P = 2, I = 3	Governmental support for biosecurity, IAS, fisheries and forest management has increased in recent years. Many Palauans are aware of the value of their outstanding natural resources and Palau has begun to develop systems to finance conservation efforts. This project will build on and take advantage of this to develop further tools to guide decision making on quality investments and raise awareness, such as by providing analysis of the overall cost of ecosystem degradation and impacts of IAS compared to enhanced management and prevention. It will also provide technical support to develop concrete cost-recovery systems through development and enhanced application of fees and taxes. The institutionalization of the JCB as the potential Bureau of Environment will trigger budgetary allocations from government.	EPU and NISC
Climate change may alter the threats and risks associated with land degradation and IAS.	Environmental	Climate change may raise the threat of IAS by increasing the frequency/severity of fires, floods, etc. and thereby decrease ecosystem resilience and create conditions where IAS can more easily become established. P = 2, I = 3	The IAS risk analyses and blacklist and whitelist to be developed under the project will integrate climate considerations to consider risks from IAS under projected climate change. -Implementation of Components 2 and 3 will be carried out ensuring that land and sea based activities are environmentally sustainable and supporting best practices in terrestrial and marine environments and managed for their climate risks.	EPU Coordinator and NISC

A.6. Institutional Arrangement and Coordination

Institutional arrangements and governance have been elaborated. Please refer to **Section VIII Governance and Management Arrangements** of the UNDP Project Document for further details.

The Implementing Partner for this project is the Ministry of Natural Resources, Environment and Tourism (MNRET), responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of UNDP resources.

Project implementation will be overseen by strategic and technical governance mechanisms including a Project Board, and Joint Coordination Body under the National Environment Protection Council technical committees at national level and Planning Teams at the state level. A summary of the roles of these governance bodies are outlined below:

- *National governing body:* The Project Board will be constituted under the Minister of MNRET, and include representatives of the Environment Protection Unit (EPU) and UNDP. The Board will meet twice per year and provide strategic direction for implementation of the project, approve annual work-plans and provide a coordination forum between key stakeholders. The committee will be responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions.
- *National coordination and technical advisory committee:* The NEPC through its Joint Coordination Body and convened under the chairmanship of MNRET will advise and facilitate the coordination of the project. It will comprise representatives of MNRET (Bureaus of Agriculture, Tourism and Marine Resources, PAN Office and the Forestry Division), Division of Fish and Wildlife Protection, Marine Law Enforcement, EQPB, NISC, PAN Office, NGOs and state representatives. The key function of JCB will be coordinating implementation of land/seascape planning and management, mainstreaming of biodiversity in sector policy and plans, IAS-related activities in the country, facilitating higher-level policy decisions related to project implementation, providing advice and support relating to biosecurity priorities, oversight of cross-sector IAS-related activities, facilitating cross-training, and advising the NEPC on emerging issues relating to biodiversity and IAS, and supporting annual work plan development and implementation.
- *State Planning:* State Planning Teams will oversee and support the implementation of Outcomes 2 and 3. The State Planning Teams will include sectoral staff, NGO representatives and local community members that will help develop and coordinate state level land/seascape planning, identify appropriate initiatives for ensuring

sustainable agriculture, forestry, fisheries, aquaculture, tourism and IAS prevention and management efforts. They will also help coordinate across different national and state agencies to facilitate biodiversity-mainstreaming and biosecurity monitoring and surveillance, facilitate outreach activities, coordinate local and cross-training activities, facilitate coordination with resort owners and tour operators, and support efforts for coordination of resource mobilization and manpower for eradication and biosecurity activities.

The coordination of the project with other GEF projects in Palau and the region has been elaborated. Among others, the implementation of project components/products/activities will be coordinated with the on-going UNEP GEF 5 “Ridge-to-Reef” approach to improve the Protected Area Network and improve sustainable land management. The Cross-Cutting Capacity Development Project (called CB2; 2015-2018) is a direct response to the GEF-funded National Capacity Self-Assessment (NCSA) project conducted in Palau in 2006-2007. The first and second components of the project are improving methods to monitor, collect, share, access, store, and use environmental information and data. The third component is strengthening the NEPC so that it can better function as a governmental cross-sector coordination body and so that it can effectively establish *ad hoc* committees that include non-government stakeholders. Coordination of these efforts will take place through formal and informal consultations and discussions for exchange of information and lessons learned between the proposed project and other GEF, government and donor funded projects and programs. In particular, efforts to strengthen land/seascape planning and biosecurity will be shared with other projects operating in the Pacific. Further details are provided in **Section IV, Part (ii) Partnerships** of the UNDP Project Document.

Additional Information not well elaborated at PIF Stage:

A.7 Benefits

The project will undertake a number of key interventions to improve biodiversity conservation outcomes – and prevent the introduction and spread of IAS within Palau that could otherwise cause irreversible damage to native biodiversity, agriculture, industry, and local incomes and livelihoods – and in doing so will provide broad socioeconomic benefits. To this end, the project will support a number of measures, including:

- i. development of a governance and coordination mechanisms for overseeing the mainstreaming of biodiversity through a land/seascape planning and management approach;
- ii. development of a National Invasive Species and Strategic Action Plan (NISSAP) that defines activities aimed at the control and management of IAS;
- iii. improved national and state capacity for monitoring, surveillance and compliance with laws on protected species, resource extraction, IAS control and management and biosecurity;
- iv. development of early detection and rapid response systems;
- v. improvement of inspection and quarantine services to prevent spread of IAS;
- vi. land/seascape planning and management that integrates the protection of high conservation value ecosystems, forest restoration, forest fire and IAS management and implementation of community best practices for biodiversity-friendly development;
- vii. enhanced awareness among local communities, tour operators and importers on the danger of IAS introduction and the need for biosecurity; and
- viii. review of subsequent project activities to improve gender and socially inclusive benefits in the short- and long-term.

These project activities will reduce threats to globally significant biodiversity, including globally significant coral reef ecosystems; improve fish stocks in designated areas; conserve and restore mangroves; rehabilitate terrestrial ecosystems and biodiversity; and reduce threats from IAS. Results will better ensure food, health and economic security with regard to the livelihoods of the Palauan people, as well as protect the tourism industry, which is largely attracted to Palau’s native biodiversity. Over 1,600 people will be directly engaged in project activities. This includes an estimated 100 national and state government staff being engaged in training. Further, it is estimated that the project will directly engage at least 425 households (around 1,500 persons or 8% of Palau’s population) to participate in and support project activities, including active engagement in conservation, sustainable natural resources management and livelihood activities. The project will benefit a number of other people and associated tourism revenues through direct investment linked to: (i) improved condition of Palau’s natural environment on account of biodiversity-friendly development activities; (ii) improved capacity of biosecurity staff and improved facilities to better prevent entry and spread of new IAS in the country; and (iii)

increased awareness of local communities, policy-makers, tour operators, land owners and importers of the risk of increased threats to biodiversity from IAS and need for biosecurity. The measures taken against IAS are aimed at reducing: the risk to local, state and national economies, livelihoods and tourism revenues; and their impacts on subsistence and market agriculture, tourism, health and quality of life .

A.8 Knowledge Management

Component 4 includes a specific output addressing publication and dissemination of knowledge products, best practices and lessons learned. The project will publish at least eighteen best practice and case study reports systematizing project experiences, best practices and lessons learned, in electronic formats that will be shared through mailing lists, partners' websites and social media, and through integration into stakeholder forums and training sessions as opportunities arise. These reports will approach different themes provisionally scoped as: (i) integrated land/seascape planning as a mechanism for cross-sector collaboration; (ii) NISSAP as a mechanism for cross-sectorial, multi-stakeholder engagement; (iii) national and regional best practices in mainstreaming biodiversity across sectors (agriculture, aquaculture, fisheries, forestry, tourism and IAS prevention, quarantine, surveillance and rapid response) and their relevance for Palau; (iv) biosecurity best practices for islands from where rats have been eradicated; (v) impacts and interaction of threats (fire, erosion, IAS, etc.) with livelihoods in Palau, including any gender-related differences in perceptions of impacts; and (vi) project lessons learned.

Publications will include information on the methodologies applied, the difficulties encountered, and successes and on-ground impacts. All project knowledge products will be shared with the multi-stakeholder dialogue platforms established by the project, thereby reaching an important number of institutions in each sector at national and state levels. This will help to ensure that the wider stakeholder community gain access to the experiences, failures and successes of the project. Component 4 will also include information management improvements, such as collation and use of biodiversity and IAS data that will also support enhanced knowledge management. National awareness raising and outreach efforts will also offer an opportunity to disseminate successes and lessons learned during the project among a broad range of stakeholders – including the public – building awareness of the project and stakeholder support for biodiversity mainstreaming and biosecurity. Please refer to **Outcome 4 in Section IV, Part (i) Expected results** of the UNDP Project Document for further details about these knowledge management activities.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities

The proposed project is consistent with national priorities and plans and will advance Palau's national targets and international commitments for biodiversity conservation. The project directly supports four strategic priorities identified in Palau's National Biodiversity Strategy (2014), and will directly implement or contribute to the following objectives under these areas:

- *Biosecurity*: Objective 3.2 Palau's National Invasive Species Strategic Action Plan (NISSAP, 2013) is effectively resourced and implemented so that prevention of IAS is strengthened and impacts of existing invasives are reduced.
- *Integrating biodiversity and ecosystem services into development policies*: Objective 4.2 Improve decision-making related to ecosystem management through the systematic use of environmental assessment tools and other scientific processes; and Objective 4.3 Address gaps in policies, laws and regulations to integrate biodiversity and ecosystem services into Palau's development objectives.
- *Reduce direct pressures on biodiversity through sustainable use*: Objective 5.1 Establish guidelines and standards to ensure sustainable tourism actions at the national and state levels; Objective 5.2 Establish guidelines and standards to ensure sustainable aquaculture, agriculture and forestry development and management.
- *Mainstreaming conservation*: Objective 7.1 Increase biodiversity awareness and public participation in environmental decision making process; Objectives 7.4 and 7.5 Strengthen conservation capacity of residents, communities, government and civil society organizations in Palau.

The project is also aligned with the Regional Biosecurity Plan for Micronesia and Hawaii as it supports implementation of high priorities to strengthen biosecurity and enhance IAS management in Palau, including capacity development of the National Invasive Species Office and mainstreaming IAS safeguards across PAN.

Palau's National Action Plan to Combat Desertification identifies nine major causes of land degradation in the country: 1. Lack of land use planning; 2. Development following completion of the Compact Road; 3. Drought; 4. Sea-level rise; 5. Loss of soil fertility; 6. Watershed degradation; 7. Invasive Species; 8. Uncontrolled fires; 9. Unsustainable development practices. This project will address all of these drivers by supporting states on Babeldaob to integrate IAS, climate change and watershed degradation concerns within forest and landscape management plans, alongside enhancing fire and IAS prevention and management, sustainable land and forest practices, and restoration.

The project is consistent with Palau's 2015 Climate Change Policy with respect to its priority interventions in various sectors that include re-vegetation to stabilize soils, increasing the resilience of terrestrial and marine ecosystems and appropriate measures to manage invasive species. It will also engage with Palau's Responsible Tourism Framework (2017-2020).

Within a global context, the project will contribute to achieving a significant number of the Aichi Biodiversity Targets and several of the Sustainable Development Goals that frame the post-2015 development agenda. Further details of the specific targets and goals are given in the UNDP Project Document (Section II Development Challenge, page 13).

C. DESCRIBE THE BUDGETED M & E PLAN:

A M&E Plan, which adheres to GEF requirements and takes into account the specific interests of the project, has been developed for the project, as described in **Section VII** of the UNDP Project Document. It covers roles and responsibilities, reporting cycles, tracking tools that reflect the interests of the different funding sources, and the independent mid-term review and terminal evaluation. The budget plan is reproduced in the table below. Further information about some of the indicators being monitored can be found in **Annex 16** of the Project Document.

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹¹ (US\$)		Time frame
		GEF grant	Co-financing	
Inception Workshop	UNDP Country Office	8,000	5,000	Within three months of project document signature
Inception Report	Project Manager	2,000	1,000	Within one month of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	5,000	Quarterly, annually
Monitoring of indicators in project results framework	Project Manager	18,000	10,000	Annually
GEF Project Implementation Report (PIR)	Project Manager, UNDP Country Office and UNDP-GEF RTA	None	5,000	Annually
NIM Audit as per UNDP audit policies	UNDP Country Office	18,000	None	Annually or other frequency as per UNDP Audit policies
Lessons learned and knowledge generation	Project Manager	<i>See KM below</i>	<i>See KM below</i>	Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	Project Manager UNDP CO	None	5,000	On-going
Addressing environmental and social grievances	Project Manager UNDP Country Office BPPS as needed	None	5,000	
Project Board meetings	Project Board UNDP Country Office Project Manager	2,500	10,000	At minimum annually
Supervision missions	UNDP Country Office	None ¹²	<i>Add</i>	Annually
Oversight missions	UNDP-GEF team	None	<i>Add</i>	Troubleshooting as needed

¹¹ Excluding project team staff time and UNDP staff time and travel expenses.


¹² The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.
GEF6 CEO Endorsement /Approval Template-August2016

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹¹ (US\$)		Time frame
		GEF grant	Co-financing	
<i>Knowledge management as outlined in Outcome 4</i>	Project Manager	89,000	62,000	<i>On-going</i>
GEF Secretariat learning missions/site visits	UNDP Country Office and Project Manager and UNDP-GEF RTA	None		To be determined.
<i>Mid-term GEF Tracking Tool to be updated</i>	Project Manager	5,000	1,000	<i>Before mid-term review mission.</i>
<i>Independent Mid-term Review (MTR) and management response</i>	UNDP Country Office and Project Manager and UNDP-GEF RTA	40,000	10,000	<i>Between 2nd and 3rd PIR.</i>
Terminal GEF Tracking Tool to be updated	Project Manager	10,000	1,000	Before terminal evaluation mission
Independent Terminal Evaluation (TE) included in UNDP evaluation plan, and management response	UNDP Country Office and Project Manager and UNDP-GEF RTA	38,000	20,000	At least five months before operational closure
<i>Translation of MTR and TE reports</i>	UNDP Country Office	2,000		
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		232,500	140,000	

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹³ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adriana Dinu UNDP-GEF Executive Coordinator		10/18/2017	Michael Green UNDP-GEF Regional Technical Advisor	+447810062030	michael.green @undp.org

¹³ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
GEF6 CEO Endorsement /Approval Template-August2016

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

The project results framework can be found in **Section VI** of the UNDP Project Document (**pages 47-51**).

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

Responses to Comments from Council Members

Comment	Response	Reference: UNDP ProDoc / GEF CEO ER
Responses to comments from GERMANY		
1. <u>Germany</u> recommends that the project should go beyond biodiversity safeguards, as these are only minimum standards for avoiding risks, and look for biodiversity co-benefits wherever possible.	While the project aims to establish critical biodiversity safeguards through improving environmental regulations, and its application and enforcement, the major thrust of the project is to promote an integrated “Ridge-to-Reef” planning approach for managing land, coastal and marine resources and for mainstreaming biodiversity across sectoral policies, legislation and practices. Thus, the project seeks to ensure that existing best practices in agriculture, forestry, fisheries, aquaculture, tourism management and improved livelihoods are promoted to ensure that viable opportunities for community co-benefits are identified, modelled and delivered in a biodiversity-friendly manner. While the overall project is aimed at improved management of biodiversity, Output 2.4, in particular specifically promotes sustainable management practices, commensurate with benefits to local communities from improved soil and water conservation, agricultural production systems, organic agriculture, forestry, agro-forestry, fisheries, livestock management systems, IPM and fire and IAS management, all of which will be underpinned by capacity building and skills development. Private-community partnerships to restore and conserve mangrove forests are a further example of co-benefits (Output 3.2).	Refer to Section IV i. “ <i>Expected Results</i> ” Components 1-4 for project outputs and Annex 4, Attachments 1-2 of UNDP Project Document for best practices in the identified sectors that will be implemented in Outcomes 2-3 of the project to bring co-benefits. Outcome 1 identifies the four priorities of the project, which then follow in logical order in Outcomes 2-3. Of the 4 outputs under Outcome 1, only Output 1.3 focuses exclusively on biodiversity safeguards. Outputs 1.1-1.2 lay out the planning methodology for integrating and mainstreaming biodiversity conservation into development; and Output 1.4 refers to overall enforcement, not just related to IAS and biosecurity but towards all natural resource use.
2. <u>Germany</u> seeks clarification on the order of project activities which remain unclear. Germany suggests establishing clear milestones and to clarify who will be responsible for the measures and which capacity building measures would be required.	The most effective way to schedule activities will be to ensure that cornerstone activities are completed first to provide the necessary foundation for implementation of activities on-the-ground, in particular under Components 2-3. Based on this principle, Component 1 establishes a solid framework for integrated land/seascape level planning and management, mainstreaming biodiversity priorities into sector plans, and a national-state coordination platform for land/seascape planning to facilitate engagement, transparency, accountability and coordination among key decision-makers, sectors and stakeholders from states, business, NGOs and national government. These foundations will provide a strong platform for informing and guiding the design and implementation of land/seascape plans for Babeldoab (Component 2) and Southern Lagoon (Component 3) that, in turn, will predicate	Refer to Section IV i. “ <i>Expected Results</i> ” Components 1 through 4 for project outputs and Annex 11 “Multi-Year Work plan” in UNDP Project Document for the order of project implementation activities. Section IV i. “ <i>Expected Results</i> ” Output 1.1 provides roles and responsibilities of JCB, including oversight of capacity building efforts.

	<p>on-the-ground conservation, sustainable tourism, agriculture, forestry, aquaculture, fisheries and IAS management. Component 4 will support monitoring and evaluation to feed back to refinement of plans under Components 1-3, as well as to document and disseminate learning and best practices to enhance replication.</p> <p>Annex 11 of UNDP Project Document (Multi-Year Work Plan) provides clear timelines and sequencing of project activities, as well as institutional responsibilities for these activities. The national-state coordination platform (refer to Output 1.1) in the form of the Joint Coordination Body (JCB) will have overall responsibility for coordination and oversight of the foundational activities (legislation, regulations and protocols related to land/seascape planning; frameworks for mainstreaming biodiversity into sector plans; collaboration between national and state governments and between states themselves; capacity building; and advocacy.</p> <p>While, the JCB will be overall responsible for coordination of capacity building efforts, the project includes a range of capacity building measures, such as learning by doing and training at national, state and community levels in: (i) early detection and rapid response (EDRR); (ii) regulations, protocols relating to biosecurity; (iii) monitoring, surveillance and enforcement; (iv) mainstreaming of biodiversity and sustainable use principles in sector and economic planning; (iv) utilization of tools for integrated land/seascape mapping and planning; (v) EA oversight and enforcement; (vi) management of high conservation value forests and marine areas; (vii) teacher training for R2R and IAS curriculum, etc.</p>	<p>Section VIII, “Governance and Management Arrangements” lay out the dual roles of the Project Board and the NEPC, with overlaps formed by MNRET, so that there is joint oversight both for the project itself and for the resulting outcomes (e.g. implementation of the landscape plans).</p> <p>Capacity building measures are integrated into the Multi-Year Work plan (Annex 11) and will be tied to annual work plans for the PMU as well as partners.</p> <p><u>Measures of capacity building</u> include: Number of users trained in GIS, Increased capacity for landscape planning and implementation, Specific training on Biosecurity (use of equipment, identification of species, implementation of new laws, etc.), Training materials in HCVPs and Best Practices; Number of individuals trained as group facilitators and in gender and social inclusion, Number of individuals receiving enforcement training.</p>
<p>3. <u>Germany</u> welcomes the strong focus on capacity development of key institutions and awareness raising of tourists. However, especially in order to improve agricultural practices, more public awareness raising within communities is needed.</p>	<p>Under Component 2, the project will provide Community Grants to (i) demonstrate a range of best practices (originating from GEF 5 and other initiatives) in agriculture, aquaculture, forestry, fisheries, sustainable tourism; IAS management and Green Certification; (ii) on-the-ground efforts to restore degraded land, fire prevention, soil improvement, weed management, use of native species in tourist resorts, coastal protection, etc.; (iii) management of IAS and in particular, the Coconut Rhinoceros Beetle. All of these activities will be supported by community-level training.</p> <p>A separate Component 4 has been developed to reflect the priority assigned to creation of awareness and improve knowledge management namely: <i>“Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation in Palau”</i></p> <p>Under Component 4, the project will support awareness programs at national and state levels to (i) ensure that the project is well understood, accepted, and implemented effectively and equitably; (ii) knowledge management products are shared and used; (iii) understanding of land/seascape planning and management is increased; (iv) understanding and implementation of best practices is improved; and (v) the public has an increased understanding of IAS</p>	<p>Refer to Annex 4 Attachment 1 (Best Practices Relevant to the Project) and Attachment 2 (Alternative Livelihoods) of UNDP Project Document for agricultural and related practices to be supported by the project.</p> <p>Refer to revised Component 4 (<i>Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation in Palau</i>) and revised Annex 6 (Communication and Knowledge Management Strategy) of UNDP Project Document for specific details regarding public awareness raising activities.</p>

	and biosecurity. Specific topics of learning and success evolving from the pilot sites would include participatory sustainable fisheries or agriculture, sustainable tourism, livelihood improvement, planning, outcomes or impacts of sector specific actions, resilient agriculture development and participatory monitoring, as well integration of livelihood development planning, soil, land and water management. Indicators include increased recall of best practices, including best practices for sustainable agriculture.	
4. <u>Germany</u> also welcomes the establishment of a landscape planning platform for increased coordination of activities. In the proposal there seems to be a strong focus of the platform on forest-related outputs. This is understandable considering the vast extent of forest area in Palau, however, landscape planning should also include other outputs, that are e.g. linked to sustainable agriculture.	The project design has shifted from a largely forest and landscape planning exercise at PIF stage to one that now focuses on a “Ridge-to-Reef” approach whereby land and seascape planning is the tool for mainstreaming biodiversity across the agriculture, horticulture, aquaculture, fisheries, forestry and tourism sectors in a holistic and integrated manner within land (including forests, agriculture, etc.), coastal and marine systems.	Refer to Section III “Strategy” and Annex 4 of UNDP Project Document, in particular the output of Landscape/Seascape plans (rather than solely a focus on land use planning) and the consistent use of Landscape/Seascape throughout the document.
5. <u>Germany</u> seeks clarification how business plans that integrate biodiversity concerns (component I) and the generated funds shall be utilized after their development.	<p>The intent of the project is to demonstrate best practices that are sustainable in environmental, social and economic terms, thereby encouraging others to replicate such practices. The small investment in business planning is intended to support pilots and demonstrate how business planning can be used as a tool to help ensure best practices are economically viable, rather than be a sustainable financing mechanism per se.</p> <p>Business Planning will largely: (i) demonstrate the viable inclusion of new and updated regulations, standards, best practices and procedures that mainstream national biodiversity and biosecurity policies and demonstrate the benefits of biodiversity-friendly businesses (including community and state-run ventures); and (ii) test mechanisms for sustaining project interventions after the project ends, especially for interventions that generate income (e.g. agriculture, responsible tourism, etc.). Funds generated from implementing project-assisted business plans will accrue and benefit the implementing communities; and lessons learnt will be documented and disseminated for wider and future application (e.g. post-project). In addition, under Output 1.3, the project will help develop regulations under the Biosecurity Act (2016) for improving cost-recovery mechanisms (e.g. fees and penalties) to support biosecurity and IAS management through, for example, enforcement at entry ports.</p> <p>Business planning will also illustrate how to include the non-tangible costs of natural resource use into business practices. For instance, an explosion of low-cost budget tours originating in China in 2014-2015 led to an unsustainable number of tourists and a burst in non-compliant development. The government responded in 2016-</p>	<p>Refer to Section IV i. Outcome 2 (overview) and Output 3.2 of UNDP Project Document.</p> <p>Refer to Section IV i. Component 2 section on “Alternatives” describes the role of business planning in sustaining the use of best practices in key sectors. Output 3.2 of UNDP Project Document provides the opportunity to introduce biodiversity-friendly practices in tourism through piloting a business planning approach.</p>

	<p>2017 by banning the number of Charter Flights and adopting a Responsible Tourism Policy Framework that promotes a “Pristine Paradise Palau” and pursues “niche” rather than “mass” tourism. However, business models are still needed to illustrate to the private sector how to introduce sustainable practices and adequate pricing to their businesses.</p>	
<p>6. <u>Germany</u> recommends considering the introduction of financing mechanisms such as Payment for Ecosystem Services schemes and tourist fees for visiting PAs in order to increase financial sustainability.</p>	<p>Sustainable financing approaches are crucial for the long-term management of protected areas and non-consumptive set-aside areas. The project explores sustainable financing in two ways: (i) cost-recovery measures (fees and penalties) to sustain biosecurity enforcement; and (ii) benefit-sharing mechanisms, such as Payment for Ecosystem Services. The project will examine the feasibility of introducing PES (Output 2.2) based on carbon credits. The study will include an assessment of carbon stocks, viability of carbon markets, benefit-sharing options and other potential fiscal incentive measures, such as tax deductions and credits for land owners/managers who opt for conserving and restoring natural habitats (forests, wetlands, mangroves etc.). Findings from the PES analysis will determine the extent of its viability and the potential role of PES in underpinning the creation of new protected areas, subject to any necessary updating of rules and regulations (e.g. in relation to foreign investment).</p> <p>One of the problems facing the tourism industry is the application of numerous fees charged by each state and the national government (e.g. each state charges its own fees for entrance to protected areas, the amount varying by state and location). Additionally, national government charges a Green Fee as an exit tax that supports conservation, specifically PAs. Thus, visitors must pay multiple fees and taxes, which exacerbates non-compliance within the tourism industry. One of the long-term goals of island-wide and lagoon-wide planning has been to identify options for joint benefit-sharing through a structured and fair system of universal fees. This will be addressed by the project through analysing finance mechanisms and the planning processes undertaken by JCB and the state planning teams. One of the achievements of Outcome 2.2 will be the inclusion of benefit-sharing into the governance of High Conservation Value Forests, including cross-state forests. Benefits from sharing of marine resources, e.g. through cooperatives for fisheries, are included as an option for states to implement.</p> <p>Palau’s Responsible Tourism Policy Framework 2016 was developed both as a long-term planning process and in response to an explosion of unsustainable, mass-market, low-value tourism in 2014-2015. The Policy Framework explicitly considers natural resources as an “asset.” In addition to improving pricing of non-tangible assets (especially within the confines of a limit to carrying capacity), the Framework prioritizes the use of private-public partnerships to build financial sustainability. The framework focuses on “high value” “low impact” and niche market tourism at one end of the spectrum and ecological friendly tourism (e.g. bird watching and back packers) at the other, thereby providing opportunities for different interests and group sizes. This GEF6 Project will test models for private-public partnerships in tourism (Outcome 3) and</p>	<p>Refer to Section IV i. Output 2.2 of UNDP Project Document for: (i) a list of sustainable financing mechanisms that will be assessed through the project, and (ii) the desired goal of achieving benefit-sharing across Babeldaob, particularly with respect to High Conservation Value Forests and PAs. Annex 4 describes the tasks for future consultants to analyze PES.</p> <p>Section II - Development Challenge, section on “Alignment with National and Global Priorities” in the UNDP Project Document describes how the project will support the implementation of a Responsible Tourism Policy Framework, e.g. including a “strategy for tourism asset management.” Conversely, Annex 11 includes actions related to integrating findings from this Project (biosecurity, best practices, and benefit-sharing) back into the national tourism policy framework and developing state-level policies for Koror and Peleliu.</p>

	possibly in other key sectors (fisheries and mangrove use/restoration), as well as integrate tourism assets with landscape/seascape plans in line with the Policy Framework.	
7. <u>Germany</u> also suggests considering the development of incentives/disincentives for promoting adherence of tourism sector to the new standards developed under component 1 on a nation-wide scale.	<p>Under Component 1, the project will assess the potential for introducing a system of incentives/disincentives (e.g. taxes and penalties) to promote adherence to new standards of environmentally friendly practices among tourism enterprises, in concert with strengthened surveillance and enforcement.</p> <p>The GEF increment will also pilot the following under Output 3.2:</p> <ul style="list-style-type: none"> • Update leasing rules and guidelines for new tourism infrastructure to enforce/encourage zoning requirements and ecologically sensitive development, facilities and practices, as well as ‘greening’ existing tourism facilities. • Improve business planning guidelines and tools to nurture biodiversity-friendly businesses and technically support and pilot business planning processes. • Strengthen and trial a green certification program for tour operators, for possible scaling up nationwide. <p>In addition, analysis of benefit-sharing as described in Comment No 6 above will also contribute to equitable sharing of benefits (an incentive).</p>	Refer to Section IVi, Outcomes 1 and 3 of UNDP Project Document. Outputs 2.4 and 3.1 discusses some of the benefit-sharing options and Annex 4, Attachment 1 and 2 list the potential menu of options available for community based natural resources management and livelihood activities.
Responses to comments from UNITED STATES		
1. The <u>United States</u> recognizes the importance of strengthening biodiversity conservation in Palau’s development. We concur with STAP’s assessment and recommend a narrowing of the project’s focus, for example to specific implementation barriers, invasive alien species management, or land management.	Following the comments of US and STAP, the PPG Team conducted a participatory review and assessment of the PIF activities and narrowed the project’s focus by restructuring the thematic issues to be covered and type of interventions to be delivered by the project. The design now provides greater clarity of how the different project elements will fit together within an overall “Ridge-to-Reef” approach that seeks to integrate biodiversity needs into land/seascape planning in Palau, as well as across multiple sector policies and plans.	Refer to Section III and IV and Annex 4 of UNDP Project Document.

Responses to GEF SEC and STAP Review Comments

Comments	Response	Reference: UNDP ProDoc / GEF CEO ER
GEF Secretariat Review Comments		
5. During PPG development, please elaborate on the strategies for the development, implementation, and enforcement of minimum standards for the tourism industry and other sectors included in the mainstreaming work as minimum standards will be crucial in protecting the endemic and vulnerable biodiversity of Palau.	The intent of the project is to trial a number on incentive/ disincentive mechanisms to promote compliance by the tourism sector to new standards developed under Outcome 1 (e.g. introducing taxes and charges levied on tourism enterprises that are not adopting environmentally friendly practices), in concert with strengthened surveillance and enforcement. In addition, the project will support: (i) drafting of new or updating existing legislation and regulations as needed to support environmental tourism operations; (ii)	Refer to Section IVi “Expected Results” Output 3.2 of UNDP Project Document

	updating leasing rules and guidelines for new tourism infrastructure to ensure ecologically sensitive development and practices; (iii) strengthened protocols for preventing IAS introduction and spread and for meeting zoning requirements, as well as ensuring environmental friendly practices for existing tourism facilities; (iv) improved business planning guidelines and tools to facilitate biodiversity-friendly business; (v) private-community partnerships for conservation and restoration of ecosystems; and (vi) green certification for tour operators and other related practices to protect vulnerable biodiversity and ecosystems in the country.	
STAP Review Comments (by paragraph)		
Paragraph 1. STAP welcomes this initiative to safeguard Palau's important biodiversity threatened by unplanned growth - much of which is tourism-related and dependent on the very biodiversity that it is destroying. Rather than trying to implement so many activities, however, the project concept should consider prioritizing.	This comment of welcome is appreciated. The PPG team notes and agrees with the point about prioritization. It is addressed in some of the responses below and more specifically in the Additional Annex 1 that documents changes to the project concept.	Refer to Additional Annex 1 (pp. 30-32) at end of this document
Paragraph 2a. The Project Objective emphasizes safeguards, but the project also identifies several interventions downstream of the preparatory framework of mainstreaming into planning tools etc., therefore the objective needs reframing. Paragraph 2b. The problem diagnosis is well-argued but underemphasizes one key barrier and that is lack of awareness amongst the population about unsustainable agricultural, forest and fisheries practices. Awareness-raising is mentioned within each Component, but it could be argued to be one of the root causes of problems.	The project objective is reframed to emphasize the planning aspects as below: <i>"To mainstream biodiversity conservation into land and seascape governance, planning and management in Palau"</i> UNDP is in agreement with STAP comments and have included a fourth barrier namely: <i>"Lack of awareness among the sector agencies, public, and key industrial sectors on how to integrate landscape and seascape planning and lack of awareness amongst public, importers, shipping agents and tourists of risks posed by IAS and the need for biosecurity measures"</i> In addition, the project now includes a fourth Outcome in recognition of the need for a separate component on awareness raising and knowledge management, namely: <i>"Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation"</i>	Refer to Section III "Strategy" of UNDP Project Document and Table B of GEFCEO ER Refer to Section II Part "Root Causes and barriers to be Addressed" and Section IVi "Expected Results" Outcome 4 of UNDP Project Document
Paragraph 3. The stated outcomes are primarily targeted at increased capacity to manage vulnerable ecosystems, coupled to the introduction of a national land/coast planning system; if achieved these would underpin the stated goal of mainstreaming, provided that all state and private actors listed were sufficiently incentivized. However, global environmental benefits would not be realized in the short term because the wide range of identified threats would continue to degrade soils, water, forest, reefs and associated biodiversity. Given that the proposed duration of the project is 72 months, project milestones should be established to enable assurance that the enabling activities	Agreed. Outcome 1 focuses on national activities (enabling policy and legislation, guidelines and protocols, governance structures and capacity building) and Outputs 2.1 and 3.1 focus on state level enabling activities (mapping, planning and capacity building) and disbursement of investments on-the-ground to progress best practices and mainstream biodiversity and sustainable natural resource management in agriculture, forestry, conservation, fisheries, tourism and aquaculture.	Refer to Section IVi "Expected Results" and Annex 11 "Multi-Year Work plan" in UNDP Project Document for order of project implementation activities

have been completed (these include creating national and local plans, protocols, awareness-raising etc.) to allow a clear focus and to measure progress regarding biodiversity stress reduction. There is otherwise a real danger that the whole project period could be devoted to preparatory activities before real traction was achieved regarding reversal of the deterioration of biodiversity.		
Paragraph 4a. As presently described, the project strategy is unconvincing. There are long lists of activities, outputs and outcomes, but little/no reference to how relevant knowledge or learning from other projects or the literature, including GEF, has been incorporated. The cause-effect logic between activities, outputs, outcomes and objectives in the log-frame is weak and unconvincing. The ‘strategy’ in the concept note is difficult to identify and is buried in too much detail. Further, the real barriers to progress are weak institutions and implementation capacity, yet the project focuses on so many different activities who and how are these going to be implemented, let alone coordinated. There are clear statements that Palau lacks capacity at many levels, yet the project appears to be attempting a wide range of activities. If it tries to do too much, it will achieve nothing.	Agreed. The project design has been rectified to provide a more focused implementation strategy with a reduction in scattered activities and a more selective approach in respect of demonstrative activities so as not to over-burden the institutions. Component 2 will focus on piloting the best practices that are related to forestry, agriculture and fisheries and Component 3 of piloting of best practices in tourism, aquaculture and fisheries. In addition, the identification of project activities will be based on mapping and planning exercises, that takes into account institutional capacity and constraints.	Refer to Section III “Strategy” and Section IVi “Expected Results” of UNDP Project Document
Paragraph 4b. The project design could also benefit from STAP's guidance on Marine Spatial Planning in order to structure the framework that is necessary to organize the many sectors expected to contribute to achieving sustainable GEBs. STAP accordingly recommends that the project design revisits STAP's guidance to UNDP (and UNEP) in the context of the Ridge to Reef Program.	Agreed, the project design now includes specific focus on the use of a “Ridge-to-Reef” approach for ensuring integrated landscape and seascape planning as the tool for effective mainstreaming of biodiversity into the agriculture, horticulture, fisheries, forestry and tourism sectors. Also note that such an approach is specifically embraced by Outcome 2: <i>Integrated multi-sector land and seascape “Ridge to Reef” planning and management operational in Babeldaob states to reduce threats to biodiversity and improve ecosystem services to benefit communities and state economies.</i>	Refer to Section III “Strategy”, Section IVi under Outcome 2, and Annex 4 of UNDP Project Document
Paragraph 5. The project concept could also be strengthened by presenting a much more structured explanation of how the many partners will be coordinated to achieve the outcomes that they will be responsible for. For example, the stakeholder table purports to identify their role and involvement in the project, yet the table merely describes what the stakeholders are but not what actions they will actually commit to. This vital information should be presented in the PPG phase.	The roles and responsibilities of each stakeholder are now identified along with the mechanism to be employed for their involvement in specified activities	Refer to Section IViii “Stakeholder engagement” and Annex 7 of UNDP Project Document
Paragraph 6. Local communities are mentioned regarding implementation, but this is not the same as enabling participation from these communities, which will be essential regarding the need to change systems level agricultural practices and watershed	A separate Annex defines institutional arrangements for integration of local communities into land/seascape conservation activities and mainstreaming conservation and sustainable principles in resource use and management.	Refer to Annex 4 of UNDP Project Document, Attachments 1 and 2 of which define best practices for mainstreaming

management. There is a complementary risk that the project may appear excessively top-down to some communities. Accordingly the risk table should add a section to identify the risk that non-participation of communities will occur. It should also consider setting in place the institutions, structures and capacities that are needed to deliver all the activities that it has identified. One way to do this is in more manageable segments: i.e., build the institutions (legal/planning rules, and also organizations) by helping them to tackle problems in practice, and limiting this to the most serious problems as this project cannot tackle everything.	A separate risk has been added to the risk table and also addressed in the SESP regarding non-participation of communities.	conservation and sustainable principles in resource use and management in key sectors. Refer also to SESP in Annex 9.
Paragraph 7. Overall, as it currently stands this concept is far too complicated and scattered to provide the necessary guidance going forward. My suggestion would be to outline the concept in the format of a log-frame. This would best be done by a small group in a day or two, and even better through a participatory process with stakeholders, though I know that this is beyond the scope of a PIF. Once the log-frame is clear, then rewrite the document to match the log-frame, reduce activities to what is genuinely feasible, and reduce the length of the document by half. Also, the density of the text and the size of the paragraphs makes it difficult to follow.	Project design has been substantially refined to focus on integrated planning and management of land and seascapes through a “reef-to-ridge” approach. The design also ensures that cornerstone activities are completed first to provide the necessary foundation for implementing demonstration activities under Outcomes 2 and 3. In accordance with this operational principle, clear milestones for these cornerstone activities have been established. Capacity building measures will be delivered in order to effectively implement project related activities. Please note that the table in the Additional Annex 1 at the end of this document reflects the changes made to the project concept, much of which was achieved at the outset of the PPG when the team got together with the UNDP Environment Analyst and Regional Technical Advisor to revamp the log frame in line with STAP feedback. The revised framework was then reviewed at a workshop with stakeholders.	Refer to Section IVi “ <i>Expected Results</i> ” of UNDP Project Document and Section A.1 of GEF CEO ER. Also refer to Additional Annex 1 at the end of this GEF CEO ER.
Paragraph 8. The terrestrial carbon sequestration expected is described clearly in the project regarding High Conservation Value Forests; however, the potential of sequestration in the mangrove ecosystem is omitted. See for example GEF project 3821 in Cameroon; and specifically methodology within GEF project 4452 (Standardized Methodologies for Carbon Accounting and Ecosystem Services Valuation of Blue Forests) and various papers from CIFOR. At the very least further consideration of mangrove ecosystem services would strengthen the proposal.	Agreed. Mangrove has now been included in the carbon sequestration calculation.	Refer to Annex 15 of UNDP Project Document
Paragraph 9. The project concept could also be strengthened by presenting a much more structured explanation of how the many partners will be coordinated to achieve the results/outcomes that they will be responsible for. For example, the stakeholder table purports to identify their role and involvement in the project, yet the table merely describes what the stakeholders are but not what actions they will actually commit to. This vital information	This comment is covered in the response to Paragraph 5 above	Refer to Paragraph 5 above

Paragraph 10. The Knowledge Management section is weak considering the welcome attention paid to KM in the main body of the proposal. Presently the PIF KM section describes only the awareness raising and outreach measures which, useful as they are, form only a minor part of the proposal. STAP recommends strengthening this section to identify how the project KM can contribute towards transformational change.	Agreed. A separate Outcome 4 has been added to reflect the priority assigned to creation of awareness and improved knowledge management namely: <i>“Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation in Palau”</i>	Refer to Section IVi “ <i>Expected Results</i> ” of UNDP Project Document for description of Outcome and Outputs related to awareness and knowledge management.
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ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁴

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: \$ 150,000			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To Date</i>	<i>Amount Committed</i>
Component A - Technical review	80,000	48,442	31,558
Component B - Institutional arrangements, monitoring and evaluation	35,000	21,194	13,806
Component C - Financial planning and co-financing investment	10,000	6,056	3,944
Component D - Validation workshop	15,000	9,083	5,917
Component E - Completion of final documentation	10,000	6,056	3,944
Total	150,000	90,831	59,169

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

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

NA

¹⁴ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

ADDITIONAL ANNEX 1: CHANGES TO THE ORIGINAL PROJECT CONCEPT AND RATIONALE

The Table below summarizes changes made to the Outcomes and Outputs of the original PIF and the rationale for doing so. Most of the changes are intended to provide the project with a more coherent strategy, thereby reducing its complexity and the scattered nature of some activities based on the recommendation of STAP. The main changes relate to changing the component order and refining of the outcome/output descriptions.

	PIF (Original Project Concept)	GEF CEO ER (Changes)	RATIONALE
Project Objective	To mainstream conservation and biodiversity safeguards into forest, landscape and seascape planning and management and into key economic and productive sectors in Palau	To mainstream biodiversity conservation into landscape and seascape planning and management in key economic and productive sectors in Palau.	The intent of the project is to introduce the a “Ridge-to-Reef” concept that incorporates land/seascape planning as the key driver for mainstreaming biodiversity into key sectors; hence the objective is reframed to emphasize this planning aspect, in line with STAP’s recommendation that the project is about mainstreaming rather than safeguards.
Components	Component 3: Rehabilitation of coastal and terrestrial ecosystems and responsible management of tourism, fisheries and aquaculture in the Southern States of Koror and Peleliu	Component 3: Integrated multi-sector spatial zoning, planning and management in the Southern Lagoon states of Koror and Peleliu.	Added emphasis on spatial zoning, planning and management within land/seascape as the basis for developing responsible management of tourism, fisheries and aquaculture activities.
	Component 4: None	New Component 4: Gender mainstreaming, monitoring and evaluation, and knowledge management	Given the importance of improving knowledge and raising awareness amongst all segments of society, from policy makers to local communities and embracing public and private sectors, so as to actively engage them in conservation efforts, as well as to mainstream gender, a separate Outcome 4 has been added that entails developing and implementing a communication strategy, awareness raising, implementing a gender action plan, knowledge management and refining policy and practice to ensure wider support for conservation.
Project Outcomes	Outcome 1.1: Enhanced national capacities for integrated sustainable forest and land management in Palau Outcome 1.2. Regulatory, monitoring and enforcement framework in place to avoid, reduce, mitigate and offset adverse impacts on biodiversity of agriculture, aquaculture and tourism sectors Outcome 1.3. Strengthened Invasive Alien Species (IAS) institutions and coordination and outreach efforts increase efficiencies in terrestrial and marine IAS prevention and management at the national level to reduce the risk and spread into vulnerable areas Outcome 1.4. Enhanced national capacities for monitoring, implementation and enforcement in Palau’s waters to increase compliance with regulatory frameworks	Revised as a single Outcome 1: Enhanced national institutional capacities for integrated planning and management of land and seascapes.	Revised to demonstrate an integrated approach to managing land/seascapes that includes regulatory aspects, IAS prevention, biosecurity and enhanced capacities for monitoring and enforcement under a single Outcome.
	Outcome 2.1. Biodiversity management and ecosystem service provision is mainstreamed in forest landscape management in 7 States, resulting in reduced threats from IAS and wildfires and in improvements in biodiversity and ecosystem services Outcome 2.2. Enhanced local capacities emplaced for implementation and enforcement of sustainable forest and land management Outcome 2.3 Adoption of ecotourism products. Outcome 2.4. Incentives and other benefits to	Revised as single Outcome 2: Integrated multi sector land and seascape “Ridge-to-Reef” planning and management operational in Babeldaob states to reduce threats to biodiversity and improve ecosystem services to benefit communities and state economies.	This single Outcome now emphasizes a “Ridge-to-Reef approach that through mapping of the land/seascape and subsequently integrating planning will help inform, identify and prioritize on-the-ground investments in conservation set-asides, restoration of degraded forests and grasslands, fire management and community best practices in agriculture, aquaculture, fisheries, forestry and tourism. This outcome is more comprehensive than

	community are directly linked to forest and wildlife protection.		the aggregate of the 4 outcomes proposed in the PIF. Moreover, it promotes a more strategic approach to planning and managing conservation outcomes in key development sectors of Babeldaob Island's land/seascape.
	<p>Outcome 3.1 Threats to biodiversity and ecosystem function in the coastal zone are mitigated in approximately 264,686ha of seascapes through improved management</p> <p>Outcome 3.2: All tour guides and operators complete the biodiversity friendly training certification.</p> <p>Outcome 3.3: Tourism sector funding is channeled to BD/ecosystem conservation</p> <p>Outcome 3.4: Long-term rehabilitation of terrestrial ecosystems and biodiversity on the islands of Southern Lagoon States</p>	Revised to a single Outcome 3: Integrated multi-sector planning and management operational in 264,686 ha of seascapes and coastal areas in the Southern Lagoon to reduce threats to biodiversity and improve ecosystems services to benefit communities and state economies.	Revised as a single Outcome that is compatible with Outcome 2, only its focus is on sea rather than landscapes by virtue of its geographic scope. Its strategic approach is based on mapping, planning and zoning to define on-the-ground investments and promote biodiversity friendly developments in the agriculture, aquaculture and tourism sectors for the Southern Lagoon. Outputs now reflect this strategy.
	Outcome 4: None	New Outcome 4: Knowledge management, monitoring and evaluation support, equitable gender benefits and biodiversity conservation in Palau	Having a separate knowledge management Outcome reflects the priority assigned by GEF and UNDP to creation of awareness and improved availability and access to knowledge.
	Output 1.1 National framework for landscape level planning and management: (i) National-State coordination and joint landscape planning platform established within existing governance structures; (ii) National Forest Policy and Strategy developed (including mangroves) that adopts the High Conservation Value Forest (HCVF) approach and defines best practices; (iii) Forestry Division capacitated to provide effective technical assistance and support to states; (iv) Geospatial monitoring and economic decision support	Output 1.1 Functional governance and coordination mechanism established to support dialogue, information flow and decision-making between state and national levels for facilitating integrated land and seascape planning and management	Some refinement to broadly emphasize integrated land/seascape management that focuses on all the key sectors that impinge on terrestrial landscapes rather than focus exclusively on forestry and HCVFs. The Output is now specific in terms of governance and coordination structure; and the mechanism for its institutionalization as a permanent entity has been designed in principle in consultation with the Minister.
	Output 2.1 Integrated Forest and Landscape Management Plans developed, implemented and enforced for 7 States on Babeldaob Island that adopt the HCVF approach and integrate IAS and climate change considerations. These include 15,000 ha of HCVF forest conservation set-aside for non-exhaustive use	Output 2.1. Integrated land and seascape plans incorporating biodiversity, ecosystem services, climate adaptation, high conservation value forests and marine resources, IAS prevention and management, community based sustainable resource use developed, implemented and enforced	This Output is focused on land/seascape planning to promote Ridge-to-Reef connectivity, rather than just on forests and land alone. The approach now is to extend planning to the land and sea, as well as across the five key sectors (agriculture, aquaculture, fisheries, forestry and tourism) that impinge on it, so as to provide a more holistic scope.
	See above	Output 2.2 Specific areas of high conservation value forest, coastal and marine ecosystems designed and managed under community governance regimes	Developed as a separate Output given its importance.
	Output 2.2. Community-based restoration of approximately 1,000ha of degraded forest/savannah to reduce risks from wildfires and IAS.	Now Output 2.3: Community-based restoration of degraded forest, savannah and marine systems to improve biodiversity and ecosystem functions and services	There has been a change in number of Outputs, but not on the overall intent of the Outputs.
	Output 2.3. Babeldaob capacitated for effective fire management and response to reduce threats from wildfires and IAS invasions.	None	This activity is now integrated into new Outputs 2.2, 2.3 and 2.4, rather than being a separate Output, given its relevance to set-asides, forest restoration and community managed areas
	Output 2.4. Development of sustainable, biodiversity friendly ecotourism products (forest birding tours, mangrove tours, that are operated in compliance with standards developed under component 1) with	None	Given, the need to be selective (avoid over-burdening with too many activities as suggested by STAP) this activity will be trialed and tested under Outcome 3

	community participation, and visitor management capabilities.		(Southern Lagoon), which logically is the ideal location given its high volume of tourism activity.
	Output 2.5. Biodiversity friendly sustainable land and forest management practices implemented by local communities in 500ha, such as organic agroforestry using native species, conservation agriculture, etc., with business plans in place to sustain.	Now Output 2.4: Sustainable management practices implemented by communities in terrestrial, coastal and marine ecosystems	Number of Outputs reduced from 5 to 4, given the limited in-country capacity and the strategic need to be more focused.
	Output 3.1. Seascape spatial mainstreaming plan is developed, implemented/legislated and enforced: (i) Zoning and boundary demarcation of coastal zone for different uses (including tourism, various fisheries including local and recreational, aquaculture, etc.) for optimal management based on key data on the seascape, including gazettement of critical areas for biodiversity; (ii) Improved management measures tested and implemented and support for sustainable alternative livelihoods (fisheries); (iii) Strengthened surveillance and enforcement (tourism, fisheries, aquaculture); (iv) A system of relevant and effective penalties for violations and misconduct developed, adopted and enforced; (v) Monitoring programmes following standardized protocols in place.	Output 3.1: Integrated seascape and coastal zone spatial plans incorporating ecosystems services, climate adaptation, high conservation value forests and marine resources, IAS prevention and management, community based ecotourism and sustainable resource use developed, implemented, enforced and informing priorities on land	Change is not significant, except that strengthening surveillance and enforcement of laws and regulations and development of system of penalties for violations has been included as a separate Output 3.3, given its relevance to Southern Lagoon where there are potential threats to biodiversity from tourism and IAS invasion and spread.
	3.2. Mainstreaming of biodiversity (including IAS prevention and management actions) into responsible tourism guide and operator certification training, and develop and scale this certification. 3.3. Incentives/disincentives for promoting adherence of tourism sector to new standards (e.g. introducing taxes and charges levied on tourism enterprises which are not adopting environmentally friendly practices) and strengthened surveillance and enforcement. 3.4. Piloting of private-community partnerships for conservation and restoration of mangrove forests and other conservation initiatives, such as working with hotels and tourist resorts to convert landscaped gardens using exotic plants to non-invasive species and ensure non-invasive species used in future.	New (PIF Outputs 3.2, 3.3 and 3.4 combined) Output 3.2: Responsible tourism in coastal and marine habitats	Revised Output 3.2 combines PIF Outputs 3.2, 3.3 and 3.4 as all these relate primarily to the tourism sector. Combining outputs also reduces the number and scattered nature of activities, as recommended by STAP.
	None	Output 3.3 Improved surveillance and enforcement for tourism, fisheries and aquaculture sectors	Added as a new Output (rather than be subsumed under the various PIF Outputs) given the importance of improving surveillance and enforcement to prevent introduction and spread of IAS through key sectors. While on-the-ground efforts will be piloted in Southern Lagoon, given its importance for tourism, international transport and trade. Output 1.4 (Improved national and state capacity for monitoring, surveillance and compliance) will build national capacity and systems that can be replicated and expanded across the country.
	3.5. Eradication of rats (<i>Rattus</i> spp) from selected limestone islands to reduce threats to endangered species especially Micronesian Megapode.	None	Output 3.5 in the PIF is currently an ongoing activity that is financed by Island Conservation. The GEF project will support improved surveillance and enforcement (see new Output 3.3) to ensure that islands cleared of rats have improved biosecurity to prevent their re-colonization, rather than support the eradication effort
Co-financing	USD 17,585,000	USD 22,671,306	Increased co-financing commitment with additional partners

Carbon Calculation Overview

The emission of greenhouse gases (GHG) under baseline and project scenarios was calculated using the FAO EX-Ante Carbon Tool (EX-ACT version 7.1.8d) for three ecosystems targeted by the project (upland forests, savannah and mangroves), based on the following broad set of activities (management regimes):

- protection of high conservation value upland forest for non-exhaustive use (14,000 ha);
- protection of mangroves for non-exhaustive use (1,000 ha);
- reforestation of degraded savannah grasslands along forest edges to reduce risks from wildfires and IAS (1,000 ha);
- sustainable management of degraded community lands for crops and trees (500 ha); and
- protection of forests from wildfires (500 ha).

The project will reduce emissions and sequester a total of 1.458 million tCO₂eq over a 20-year period, which is consistent with the estimate of 775,511 tCO₂eq over a 10-year interval generated for the PIF using EX-ACT. A breakdown of the CO₂ emissions reduction/sequestration is provided in the table below for target areas, together with a screen shot of the EX_ACT results. These data provide the basis of certain targets in the Project Results Framework (**Section VI**).

No.	Land cover	Management	Area (ha)	Emissions reduction (tCO ₂ eq)		Comments
				Annual	20 years	
i.	HVC Forest	Conserve status quo	14,000	-9,703	-194,062	15,000 ha upland forest in PIF revised to include 1,000 ha mangrove (20% of Palau's total mangrove) to support ridge-to-reef connectivity, mostly in Babeldaob.
ii.	Mangrove	Conserve status quo	1,000	-1,232	-24,641	
iii.	Savannah - degraded	Restore to forest	1,000	-28,107	-562,133	Degraded grass/scrub land along forest edges, reducing risks of wildfires and IAS.
iv.	Community lands	Restore to crops/trees	500	-23,034	-460,681	Focuses on wise use of degraded land, working with communities (400-500 HH).
v.	Forest	Protect from wildfires	500	-10,839	-216,789	Fire damages some 500 ha forest annually.
Total			17.000	-72,915	-1,458,306	

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q			
1	EX-ANTE	The EX-Ante Carbon-balance Tool (EX-ACT)																	
2		Start		Description		Land Use Change		Crop production		Grassland Livestock		Management Degradation		Coastal Wetlands		Inputs Investments		Fisheries Aquaculture	
3																			
4																			
5																			
6																			
7		Project Name		Integrating biodiversity safeguards			Climate		Tropical (Wet)			Duration of the Project (Years)					20		
8		Continent		Oceania			Dominant Regional Soil Type		Volcanic Soils			Total area (ha)					17000		
9																			
10		Components of the project		Gross fluxes			Share per GHG of the Balance						Result per year						
11				Without		With	All GHG in tCO ₂ eq		All GHG in tCO ₂ eq			Without		With	Balance				
12				Positive = source / negative = sink		Balance	CO ₂		Biomass			Soil	Other	N ₂ O	CH ₄				
13		Land use changes																	
14																			
15		Deforestation		218,704		0	-218,704		-199,173			-19,524		-98		0	10,935		
16		Afforestation		0		-562,133	-562,133		-290,672			-271,462		0		0	0		
17		Other LUC		0		-152,231	-152,231		-16,500			-135,731		0		0	0		
18		Agriculture																	
19		Annual		0		0	0		0			0		0		0	0		
20		Perennial		0		-308,450	-308,450		-302,500			-5,950		0		0	0		
21		Rice		0		0	0		0			0		0		0	0		
22		Grassland & Livestocks																	
23		Grassland		0		0	0		0			0		0		0	0		
24		Livestocks		0		0	0		0			0		0		0	0		
25		Degradation & Management		216,788		0	-216,788		-72,167			-20,258		-32,282		-92,080	10,839		
26		Coastal wetlands		0		0	0		0			0		0		0	0		
27		Inputs & Investments		0		0	0		0			0		0		0	0		
28		Fishery & Aquaculture		0		0	0		0			0		0		0	0		
29																			
30		Total		435,492		-1,022,814	-1,458,306		-881,012			-452,925		0		-32,380	-92,080	21,775	
31																			
32		Per hectare		26		-60	-86		-51.8			-26.6		0.0		-1.9	-5.4		
33																			
34		Per hectare per year		1.3		-3.0	-4.3		-2.6			-1.3		0.0		-0.1	-0.3	1.3	

Key inputs to EX-ACT include the following:

DESCRIPTION TAB	Input	Comment	Source
Mean annual temperature (°C)	27	Koror	Climate data sourced from: www.fao.org/ag/agp/agpc/doc/counprof/southpacific/palau.htm Vegetation classified as wet tropical forest, based on climate.
Mean annual precipitation (mm)	3,630	30-year average	
Soils	Volcanic	Mostly ancient and of volcanic origins	
Project period	6 years		
Accounting	20 years	Hence, 14 years capitalisation.	

Deforestation rates of 0.3%¹⁵ and 0.8%¹⁶, respectively, were applied to the HCVF upland (highest point is 242 m) and mangrove forests to generate the CO₂ emissions figures from the reduction in forest loss over the project period (250 ha for upland forest and 47 ha for mangrove). These rates are considerably much lower than the annual deforestation rate of 13% used in the PIF.

LAND USE CHANGE and MANAGEMENT DEGRADATION tab settings are shown in the screen shots below.

The EX-Ante Carbon-balance Tool (EX-ACT)

Start Description **Land Use Change** Crop production Grassland Livestock Management Degradation Coastal Wetlands Inputs Investments Fisheries Aquaculture Detailed Results

2.1. Deforestation

AEZ map Zone 1 = Tropical rain forest Zone 2 = Tropical moist deciduous forest Zone 3 = Tropical dry forest Zone 4 = Tropical shrubland

Type of vegetation that will be deforested	HWP# (tDM/ha)	Fire Use? (y/n)	Final use after deforestation	Forested area (ha)		Deforested area (ha)		Total Emissions (tCO ₂ -eq)		Balance			
				Start	Without	With	Without	With	Without		With		
Forest Zone 1	0	NO	Set aside	14000	13750	D	14000	D	250	0	194,068	0	-194,068
Mangrove	0	NO	Set aside	1000	953	D	1000	D	47	0	24,636	0	-24,636
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
Select the vegetation	0	NO	Select Use after deforestation	0	0	D	0	D	0	0	0	0	0
#Harvested Wood Products													
Tier 2													
Total Deforestation										218,704	0	-218,704	

* Note concerning dynamics of change: "D" corresponds to default/linear, "I" to immediate and "E" to exponential (Please refer to the guidelines)

2.2. Afforestation and Reforestation

AEZ map Zone 1 = Tropical rain forest Zone 2 = Tropical moist deciduous forest Zone 3 = Tropical dry forest Zone 4 = Tropical shrubland

Type of vegetation that will be planted	Fire Use? (y/n)	Previous land use	Area that will be afforested/reforested		Total Emissions (tCO ₂ -eq)		Balance			
			Without	With	Without	With				
Forest Zone 1	NO	Degraded Land	0	D 1000	D	0	-562,133	-562,133		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Select the vegetation	NO	Select previous use	0	D 0	D	0	0	0		
Tier 2										
Total Af-/Reforestation								0	-562,133	-562,133

* Note concerning dynamics of change: "D" corresponds to default/linear, "I" to immediate and "E" to exponential (Please refer to the guidelines)

2.3. Other Land Use Changes

Fill with your description	Initial land use	Final land use	Message	Fire Use? (y/n)	Area transformed (ha)		Total Emissions (tCO ₂ -eq)		Balance			
					Without	With	Without	With				
Sustainable community-based management regimes	Degraded Land	Perennial/Tree Crop		NO	0	D 500	D	0	-152,231	-152,231		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Select Initial Land Use		Select Final Land Use	Fill initial LU	NO	0	D 0	D	0	0	0		
Tier 2												
Total Other LUC										0	-152,231	-152,231

* Note concerning dynamics of change: "D" corresponds to default/linear, "I" to immediate and "E" to exponential (Please refer to the guidelines)

The EX-Ante Carbon-balance Tool (EX-ACT)

Start Description Land Use Change Crop production Grassland Livestock **Management Degradation** Coastal Wetlands Inputs Investments Fisheries Aquaculture Detailed Results

5.1. Forest degradation and management

AEZ map Zone 1 = Tropical rain forest Zone 2 = Tropical moist deciduous forest Zone 3 = Tropical dry forest Zone 4 = Tropical shrubland

Type of vegetation that will be degraded	Degradation level of the vegetation	Fire occurrence and severity	Area (ha)		Total Emissions (tCO ₂ -eq)		Balance						
			Without	With	Without	With							
Forest Zone 1	Moderate	Without project: Large With project: Moderate	Without (y/n)	Periodicity (year)	Impact (% burnt)	Without (y/n)	Periodicity (year)	Impact (% burnt)	Without	With	216,788	0	-216,788
			YES	1	100%	NO	1	100%					

¹⁵ Colin, P. 2009. Marine Environments of Palau (Based on deforestation figures from 2001-2005. No newer figures exist.)

¹⁶ Kitalong, A.H. 2008. Forests of Palau: A long-term perspective (Figure based on a 0.04km²/yr⁻¹ loss from existing 48km² mangrove cover in the whole of Palau) GEF6 CEO Endorsement /Approval Template-August2016