REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title:	Expansion and Strengthening of the Protected Area Subsystem of the Outer Islands of Seychelles and its Integration into the broader land and seascape		
Country(ies):	Seychelles	GEF Project ID:[1]	4717
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4529
Other Executing Partner(s):	Ministry of Energy & Environment (MEE)	Submission Date: Re-submission Date:	28 August 2013 December 3, 2013
GEF Focal Area (s):	Multi-focal areas	Project Duration (Months)	60
Name of Parent Program (if applicable): ➢ For SFM/REDD+ ☐ ➢ For SGP ☐ ➢ For PPP ☐	n/a	Project Agency Fee ($):	178,550

A. FOCAL AREA STRATEGY FRAMEWORK

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount ($)	Cofinancing ($)
BD1: Improve Sustainability of Protected Area System	1.1: Improved management effectiveness of existing and new protected areas.	Increased coverage of threatened ecosystems and threatened species: The PA estate is expanded, with coverage of marine ecosystems increasing from 28,937 hectares to 105,197 hectares, and coverage of terrestrial ecosystems increasing from 15,261 hectares to 16,498 hectares Five new protected areas and1,237 hectares of terrestrial ecosystems and 76,258 hectares of marine ecosystems – both currently unprotected	GEF TF	1,170,000	8,483,841
LD 3: Reduce pressures on natural resources from competing land uses in the wider landscape.	3.2 Good management practices in the wider landscape demonstrated and adopted by relevant economic sectors.	Government agencies collaborating on SLM initiatives across sectors and at multiple scales Number and types of investment sources in SLM from successfully tested sustainable finance reflow schemes Information on SLM (wider landscape) technology and good practices disseminated	GEF TF	615,500	1,950,208
		Total project costs		1,785,500	10,434,049

[1] Project ID number will be assigned by GEFSEC.

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To promote the conservation and sustainable use of coastal and marine biodiversity in the Seychelles' Outer Islands by integrating a National Subsystem of Coastal and Marine Protected Areas (CMPAs) into the broader land- and seascape while reducing the pressures on natural resources from competing land uses.

Project Component	Grant Type[2]	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Cofinancing ($)
1. Management effectiveness is enhanced within a sample of coastal and marine protected areas (*IUCN Category I, II and VI*) operating under innovative public-private-civil society partnership agreements.	TA	*Seychelles' system of Outer Island protected areas is expanded and strengthened with respect to ecosystem representation, financial aspects and management capacity, as evidenced by:* - The PA estate is expanded, with coverage of marine ecosystems increasing from 28,937 hectares to 105,197 hectares, and coverage of terrestrial ecosystems increasing from 15,261 hectares to 16,498 hectares - The number of new protected area units formally proclaimed at 5 sites consists of: 2 Sustainable Use Areas; 5 Strict Nature Reserves; 1 National Park; 1 to be determined - National capacity for PA system management is improved, evidenced by improved scores of the Capacity Development Scorecard at the following levels: *Systemic*: from 60% to 73% *Institutional*: from 67% to 73% *Individual*: from 48% to 62%. - METT scores for five newly established PA sites will improve: • Desroches: From 59% to 80% • Alphonse: From 58% to 80% • Poivre: From 29% to 74% • Farquhar: From 29% to 74% • D'Arros: From 57% to 76% - Increase in funding support to 4 Outer Islands Protected Areas managed by the Island Conservation Society from ~US$190,000 to ~US$500,000 - All five PA sites have developed and begun implementation of management plans, from a baseline of none - Coral reef health (as measured by live coral, dead coral, and recruitment)	1.1 Biodiversity & Ecosystem Assessment and Monitoring Programs in place to strengthen PA management 1.2 Capacity built for PA Management 1.3 PA Infrastructure and Resources Enhanced 1.4 Protected Areas Legally Established 1.5 Protected Area Management Structures in place and sufficiently financed 1.6 PA Management Plans Developed and Implemented 1.7 Increased Education and Awareness levels regarding Outer Islands Conservation	GEFTF	1,068,493	7,895,980

[2] TA includes capacity building, and research and development.

Project Component	Grant Type[2]	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Cofinancing ($)
		shows no decline by project end (baseline TBD during inception) - Area of critical marine ecosystems (mangroves, seagrass beds) shows no decline by project end (baseline TBD during inception)				
2. Sustainable Development and CMPA management integrated into broader land/seascape in the Outer Islands	TA	- Ecosystem-Wide Zoning and Master Strategy for the Outer Islands developed and approved by Cabinet - 4 Land Use Plans for island with new PA units approved by Cabinet - The MEE is strengthened to oversee the Decision Support Systems and the Ecosystem-Wide Strategy - 0% land conversion in new IUCN Category I (Seychelles Strict Nature Reserves) and IUCN Category II (Seychelles National Parks) PAs - <10% land conversion in new Category VI (Seychelles Sustainable Use Areas) PAs - Area of Desroches and Alphonse Islands with restored native habitats • Desroches: 30 hectares • Alphonse: 30 hectares - 5 additional Outer Islands with functioning biosecurity processes (protocols under implementation)	2.1 Spatially-based decision support system for ecosystem based management in the Outer Islands 2.2 Land Use Plans for targeted Islands 2.3 Ecosystem-wide Zoning & Master Plan for the Outer Islands 2.4 Strengthened Institutional Capacity for Integrated Natural Resource Management 2.5 Ecosystem Restoration & Invasive Species Management 2.6 Monitoring & Management of Ecosystem Functions	GEFTF	562,100	1,362,347
		Subtotal			1,630,593	9,258,327
		Project Management Cost (PMC)		GEFTF	154,907	1,175,722
		Total Project Cost			1,785,500	10,434,049

C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME ($)

Please include letters confirming cofinancing for the project with this form

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Cofinancing Amount ($)
National Government	Islands Development Company	Cash	807,962
National Government	Ministry of Environment & Energy	Cash	190,471
National Government	Seychelles National Parks Authority	Cash	25,000
National Government	Seychelles Fishing Authority	Cash	8,250
National Government	Ministry of Land Use & Housing	Cash	11,000
CSO	Island Conservation Society	Cash	631,866
Foundation	Save Our Seas / D'Arros	Cash	2,000,000

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Cofinancing Amount ($)
Foundation	SAIAB / Pangaea	Cash	4,500,000
Foundation	Seychelles Islands Foundation	Cash	2,000,000
Private Sector	Desroches Island Lodge	Cash	109,500
GEF Agency	United Nation Development Program	Cash	150,000
Total			**10,434,049**

D. TRUST FUND RESOURCES ($) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA*	Country name/Global	Project amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	GEF	Biodiversity	Seychelles	1,170,000	117,000	1,287,000
UNDP	GEF	Land Degradation	Seychelles	615,500	61,550	677,050
Total GEF Resources				1,785,500	178,550	1,964,050

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.
[2] Indicate fees related to this project.

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount ($)	Cofinancing ($)	Project Total ($)
International Consultants	140,380	1,300,000	1,440,380
National/Local Consultants	135,423	1,159,096	1,294,519

F. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF

For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter "NA" after the respective question.

A.1 National strategies and plans or reports and assessments under relevant conventions

Refer to PRODOC, Section I –PART I: Project consistency with national priorities/plans. Refer also to the following sub-chapters in PRODOC Part I - Section I for more details: Context and global significance, 'Policy and Legislative Context'; and Baseline Analysis, 'Expansion of the protected area system'.

The Government of Seychelles undertook a National Dialogue Initiative in November 2011 in order to secure stakeholder input to determine the allocation of GEF STAR funding[3] to priority projects. During this and subsequent follow-up meetings, part of the Biodiversity allocation, as well as the entire Land Degradation allocation, were allocated to the proposed project focusing on biodiversity conservation and SLM in the Outer Islands (the remaining Biodiversity allocation has been earmarked for a project addressing the sustainable

[3] System of Transparent Allocation of Resources.

financing of the Protected Area system). The proposed project was selected as a response to the urgent need to conserve Seychelles' Outer Islands' significant biodiversity, given the fact that only one significant protected area (Aldabra) is present in this region and that ecosystem connectivity and functionality is likely to be lost if not addressed before tourism, fisheries and oil and gas developments take place in the region.

The project will contribute to the objectives of the Seychelles Sustainable Development Strategy 2012-2020 (SSDS). Under the Biodiversity, Forests and Agriculture Thematic Area, the project will support Objective 1.1 to control invasive exotic species; Objective 1.3 to develop management systems for outer islands; Objective 2.1 to initiate assessment and taxonomic survey of key biodiversity; and Objective 2.2 to establish monitoring and data management systems. Under the Land Use, Coastal Zones and Urbanization Thematic Area, the project will support Objective 1.2 to develop tools for better land use and coastal zone management and Objective 1.3 to develop human resources, partnerships and to promote and facilitate ongoing community involvement in coastal zone management issues through education and activities.

The project will assist the government in achieving a number of the "specific objectives" in the draft *Seychelles' Protected Areas Policy*, namely: **1)** create conditions to effectively conserve 50% of national terrestrial areas and effectively conserve and manage 20% of marine area within the EEZ; **2) e**stablish and implement effective mechanisms for private sector, NGOs and community involvement and engagement in the planning and management of protected areas; **3)** develop and implement effective capacity development programme to strengthen the management of PAs; **4)** provide for the restoration of degraded habitats and ecosystems of historical important biodiversity areas and put into place measures to prevent further degradation; **5)** maintain and enhance terrestrial and marine ecosystems to guarantee long term ecosystem services; and **6)** minimise and mitigate the impacts of climate change by maintaining the integrity and functions of ecosystems.

The project will contribute to two policy objectives in the *National Biodiversity Strategy and Action Plan* (NBSAP) that relate specifically to PAs: (i) 'Consolidating the existing system of PAs, improve knowledge of appropriate classification, configuration and design, and develop, where necessary, legislation, guidelines, systems plans and management plans'; and (ii) 'Ensuring wider participation in planning and management of PAs, with opportunities for the involvement of NGOs, district-based organisations and the private sector as well as international organisations'.

The project is aligned with the *Seychelles Sustainable Land Management Action Plan (2011 – 2020)*, in particular to 4 of the 6 goals outlined in the Plan: 1) Land use planning and management is supportive of sustainable land management; 2) Forested land and watersheds are sustainably managed; 3) Physical infrastructure developments and coastal zone developments are supportive of sustainable land management; and 4) Climate change adaptation measures are adequate to combat land degradation.

The project is consistent with the *National Strategy for Plant Conservation, 2005-2010,* which establishes 5 strategic objectives and 14 targets, of which sub-target 4b (*in situ* conservation) envisages 'viable representation of 95% of threatened flowering plant taxa within protected areas'.

Finally, the project is aligned with the 2006 Government White Paper entitled the '*Outer Islands Development Plan*' which set out guidelines for development on the outer islands, outlined proposed future developments of the outer islands and highlighted the role of the Island Development Company (IDC) in the proposed future development potentials of the outer islands, as well as the *2013 IDC Development Plan*, which identified objectives that include "promoting low impact and eco-friendly tourism development on the islands" and "participating as an active partner in and promoting environmental conservation, protection and climate change mitigation on the outer islands".

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities

This is described in detail in the PRODOC, Part I, Section II – Strategy. A summary is provided in Part I, Table A of this document.

The PRODOC provides a more focused proposal for how the project will achieve its objective and contribute to the GEF's Focal Area Objectives BD1 (Outcome 1.1) and LD3 (Outcome 3.2). Yet, a few changes were introduced. These are summarized here:

Topic	*What changed*
Outputs	In essence, what will be achieved under Components 1 and 2 is not too different from the strategy presented at PIF stage. However, outputs have been re-organised in a manner that was considered more logic by project stakeholders, including in terms of the order of outputs. Under Component 1 one output on education & awareness and another output specific on capacity building were added. These were considered essential as discrete outputs in order to reinforce PA management actions and leave lasting impacts from the project's results. In addition, those added outputs also address a comment from the STAP on the fact that capacity building and institutional constraints are highlighted as barriers but not addressed in the project. (The STAP mentioned the need to address it in the risk matrix, but stakeholders considered it more appropriate to address it at the level of outputs). Under Component 2, there has been a rationalization of outputs, in order to present a tighter and better scoped strategy. One output on monitoring of ecosystem functions, which was absent in the PIF was added. This was also considered necessary for securing lasting impacts. Altogether there is a lot more detail in the description of Outputs and the project strategy is well developed (with quite a bit of detail) and the intervention scoped and negotiated.
Co-financing	The total co-financing has more almost doubled (increased by some 180%). This is a token of the strong commitment by various partners to the project and its ability to leverage interest, collaboration and support. In the current iteration a small amendment was made to the co-financing provided by private sector partner, Desroches Island Lodge. Initially, the verbal commitment made by the partner was of $252,692, even though the co-financing letter provided by the mentioned partner did not explicitly mention any amount. After closer review, the partner informed us that their actual co-financing was $109,500. A new letter of co-financing was provided by Desroches Island Lodge on 02 December 2013. The set of co-financing letters were revised, along with relevant sections in this document and in the PRODOC.
The baseline description and financial assessment	At PIF stage, the project's financial baseline was not well defined, neither were the baseline investment assessed in its totally – only in part (there was lack of data to provide this information in more details). At CEO Endorsement stage, the baseline description and finance have been duly presented.
Budgets	There are thorough budget assessments details at CEO Endorsement stage, as it would be expected. However, amounts per component for the GEF grant have remained unchanged.

A.3. The GEF Agency's comparative advantage

NA (No changes since PIF approval)

A.4. The baseline project and the problem that it seeks to address.

The UNDP Prodoc provides a country-specific analysis on underlying financial, economic and policy drivers that have limited the implementation of an effective and representative protected areas system in the Outer Islands of the Seychelles. The project justification is underpinned by technical reports, contextual analysis and application of scorecards/tracking tools.

Refer to PRODOC, Part I – Section I, Baseline Analysis, as well as other relevant sections and chapters of the PRODOC.

This Project has been designed as the first GEF-financed intervention within a more comprehensive national protected area (PA) programme for the Seychelles. This project will focus on investments in the network of NGO and privately managed protected areas in the Outer Islands, in direct response to the existing and emerging threats to biodiversity and ecosystem functioning on and around those islands (the second GEF project will focus on sustainable financing of government-managed PAs in the Inner Granitic Islands). In addition to funding the operationalization of new protected areas at 5 island sites, the project also will support the implementation of planning processes and information systems to enable the development of a broad-scale conservation and sustainable development strategy for the entire Outer Islands region, and will develop and test cost-effective models for sustainable land management practices, including native forest revegetation and biosecurity.

The existing system of protected areas in the Outer Islands is inadequate in two respects. First, its scope is limited to 4 PA units, of which only one (Aldabra Special Reserve) is operationally functional. Increased representation of Outer Islands in the PA network is urgently needed to ensure adequately representing the terrestrial and marine ecosystems of the Outer Islands and the sustainability of planned and future tourism development on these islands. Second, existing PA management (as well as other conservation programs in the Outer Islands) has limited management authority and effectiveness and is unable to mitigate threats to biodiversity or ecosystem functioning.

The project is designed to address both sets of weaknesses simultaneously. It will improve ecosystem representation in the PA system and it will establish / strengthen PA management operations at key sites, including biodiversity conservation and sustainable land management activities. This will be underpinned by investments at the systemic level to strengthen institutional planning, information, and financing frameworks for the long-term benefit of the selected sites. The project will focus GEF funding to achieve both biodiversity conservation outcomes (through the mechanism of strengthening / expanding the protected area system) and integrated natural resource management objectives (through systemic planning and information activities as well as on-the-ground management interventions), as follows:

To enhance biodiversity conservation, the GEF investment will enable the establishment and operationalization of five new protected areas encompassing both terrestrial and marine ecosystems. This will increase the number of operational protected areas in the Outer Islands from 1 to 6; add 76,258 hectares of seascape and 1,237 hectares of landscape to the national PA estate; and establish two new organizations as official PA management institutions in the Seychelles. These new PA units will also be invaluable demonstration sites for the replication of additional sites, using different PA classifications and allowing for different levels of development activities, over the long-term in the Outer Islands. The project will also foster the systematic development of PA management capacities, processes and tools, including the mobilization of financial resources to support and sustain the PA expansion effort. In terms of PA finance, the project will work over the next 5 years to gradually decrease the gap between financial needs and funds actually available for PA management, including the capacity of PA units to generate their own funding through tourism-based revenues.

To ensure a reduction in land degradation, the GEF investment will support various integrated natural resources management activities at both the systemic and site levels. The project will support the development of a spatially-based DSS (Decision Support System) that can be available for use in cross-sectoral land/seascape planning, management and policy development, across different sectors and different scales. Based on the DSS, the project will facilitate the creation of an ecosystem-wide zoning and master strategy for the Outer Islands, the goal of which will be to provide the first coherent strategic level strategy for the whole of the Outer Islands of the Seychelles, including both terrestrial and marine realms, that will balance development and conservation needs, including the maintenance of global environmental benefits. At the site level, additional planning tools will include the development of land use plans for four islands / island groups (Desroches; Alphonse; Poivre; and Farquhar). On the ground measures to address land degradation related issues will include native forest and mangrove re-vegetation at selected sites; erosion monitoring and control; and the establishment of biosecurity systems to prevent the entry of new invasive alien species, including those that impede re-vegetation efforts.

A. 5. Incremental /Additional cost reasoning

The project seeks to promote the conservation and sustainable use of terrestrial and marine biodiversity in the Seychelles' Outer Islands by expanding the protected areas system and strengthening protected area management, supported by broad-scale ecosystem planning and sustainable land management activities to conserve ecosystem functions. The project will focus outputs and activities – over a period of five years – to achieve both biodiversity conservation and sustainable land management goals:

Two components are proposed:

Component 1: Management effectiveness of Outer Islands CMPAs is enhanced

Work under this component will support the official establishment of five new protected areas in the Outer Islands, encompassing 1,237 hectares of terrestrial ecosystems and 76,258 hectares of marine ecosystems. This will include *inter alia*: (i) an assessment of the current state (biodiversity, infrastructure, management, resource uses, etc.) of the proposed PA units: (ii) the gazetting, boundary setting and zoning of the new PA units; (iii) the strengthening of management structures and the preparation of management plans for each PA Unit, as well as a strategic business plan for four of the PA units; and (iv) the development of functional and well-trained teams of PA staff working in collaboration with private sector partners at each new PA unit.

Component 2: Sustainable Development and CMPA management integrated into broader land/seascape

Work under this component will ensure the establishment of the necessary institutional framework (information and planning systems) to support integrated management of the new PA sites that not only addresses BD conservation but also reduces land degradation impacts. The project will specifically support: (i) development of a decision support system to enable integrated natural resource management decision-making; (ii) creation of land use plans (for specific PA units) and an Ecosystem-Wide Zoning and Master Strategy (for the entire Outer Islands); (iii) the restoration of degraded terrestrial ecosystems impacted by unsustainable activities; and (iv) the prevention and control of invasive alien species, many of which impact both ecosystem functioning and the rehabilitation processes of native ecosystems.

The outputs necessary to achieve both Outcomes/Components are thoroughly described in the PRODOC, Part I, Section I – Strategy, chapter Project Goal, Objective, Outcomes and Outputs/activities.

An Incremental Cost Analysis has been carried and it is reproduced below from the PRODOC, Section II – Part II.

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
BENEFITS			
Global benefits	Under the **'business-as-usual' scenario**, only one actively managed protected area (Aldabra Special Reserve) will be functioning in the entire area of the Outer Islands of the Seychelles. Other islands, such as Desroches, Alphonse and D'Arros, will have conservation staff but these will be operating without the ability to enforce restrictions on resource use, and in most cases, with extremely limited funds, staff and equipment. Furthermore, because the vast majority of conservation resources and activities in the country are focused on the Inner Islands of Seychelles, where the bulk of the human population is concentrated, government programs for conservation and sustainable development in the Outer Islands will remain almost non-existent. Funding support from government and donors for other sites will largely consist of irregular *ad hoc* investments in a few, select islands. In this scenario, most resource and activities will remain limited to the management of the Aldabra Special Reserve. The majority of remaining terrestrial and marine ecosystems and species in the Outer Islands will remain vulnerable, and increasingly threatened as tourism, fisheries and oil and gas development all move forward in the region.	The project, which counts on financing from GEF, SOSF, SAIAB, ICS, SIF, IDC, the Government of Seychelles and UNDP, will **remove key barriers** for the operationalization of new protected areas; the implementation of planning processes and information systems to enable the development of a broad-scale conservation and sustainable development strategy for the entire Outer Islands region; and the implementation of cost-effective models for sustainable land management practices, including native forest revegetation and biosecurity. The GEF investment will enable the establishment and operationalization of five new protected areas encompassing both terrestrial and marine ecosystems; this will increase the number of operational PA units in the Outer Islands from 1 to 6; add 76,258 hectares of seascape and 1,397 hectares of landscape to the national PA estate; and establish two new organizations as official PA management institutions in the Seychelles. These new PA units will also be invaluable demonstration sites for the replication of additional sites, using different PA classifications and allowing for different levels of development activities, over the long-term in the Outer Islands. The project will also foster the systematic development of PA management capacities, processes and tools, including the mobilization of financial resources to support and sustain the PA expansion effort, including decreasing the financing gap for PA management. To ensure a reduction in land degradation, the project will develop a spatially-based DSS (Decision Support System) that can be available for use in cross-sectoral land/seascape planning, management and policy development. Based on the DSS, the project will facilitate the creation of an ecosystem-wide zoning and master strategy for the Outer Islands, the goal of which will be to provide the first coherent strategic level strategy for the whole of the Outer Islands of the Seychelles, including both terrestrial and marine realms, that will balance development and conservation needs, including the maintenance of global environmental benefits. At the site level, additional planning tools will include the development of land use plans for four islands / island groups. On the ground measures to address land degradation related issues will include native forest and mangrove re-vegetation at selected sites; erosion monitoring and control; and the establishment of biosecurity systems to prevent the entry of new invasive alien species, including those that impede re-vegetation efforts.	The GEF increment will strengthen protection for critically important biodiversity in the Outer Islands' region of Seychelles. It will deliver global benefits through the expansion of the PA network, the restoration/rehabilitation, and the improved conservation of the habitat of endemic species such as the Seychelles clown fish (*Amphiprion fuscocaudatus*), the Seychelles bamboo shark (*Hemiscyllium cf. ocellatum*), the Aldabra Rail (*Dryolimnas cuvieri aldabrensis*), Abbott's sunbird (*Cinnyris sovimanga*); as well as endangered species such as the whale shark (*Rhincodon typus*), Hawksbill turtle (*Eretmochelys imbricate*), leatherback turtle (*Dermochelys coriacae*), green turtle (*Chelonia mydas*), loggerhead turtle (*Caretta caretta*) and the dugong (*Dugong dugong*). In particular, extensive mangrove forests, seagrass beds, coral reefs, and lowland broadleaved forests will be conserved and, where possible, rehabilitated. With the proclamation of 5 new Protected Areas, the percentage of land in Seychelles under protected areas status will increase by 1,397 hectares, so that the overall total will be above 50%, the highest percentage worldwide. Important marine ecosystems also will be protected at each new PA site, adding 76,258 hectares to the PA system. The designation of these 5 sites will also include three Important Bird Areas. The improved land/seascape management over a large geographical area will safeguard soil and water resources on the islands, increase carbon stocks, reduce GHG emissions, and protect biodiversity. The project will strengthen the national contribution to the global Aichi Targets, specifically Target 4 on sustainable production, Target 5 on habitat protection, Target 6 on marine species, Target 7 on agriculture, aquaculture and forestry, Target 9 on invasive alien species, Target 10 on marine ecosystems, Target 11 on protected areas, Target 12 on species conservation, and Target 15 on climate resilience.
National and local benefits	Under the **'business-as-usual'** scenario, efforts to guide development trends (tourism, fishing, oil and gas development) in the Outer	The project will engage a variety of stakeholders in processes to plan for and implement both conservation and sustainable development initiatives in the Outer Islands. By creating the first-ever planning strategy for the Outer Islands region,	The project is expected to yield national and local benefits through by supporting the long-term sustainability of the two most important economic sectors in the Seychelles: tourism and fishing. For

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
	Islands of the Seychelles will be stymied by the lack of data, planning processes, or a participatory and widely supported mechanism for determining the future of the region. As a result, development will proceed without weighing the costs and benefits of various activities, or directing them towards areas where they are most suited; in this scenario, economic development will frequently be unsustainable and incur significant opportunity costs for the Seychelles by damaging / destroying natural ecosystem functions and values (e.g. healthy fish stocks; tourism friendly land and seascapes). Ecosystems in areas that are not legally protected as PAs will become increasingly degraded and will cease to render essential services. Over time, this will represent a loss to both the national economy and to local stakeholders.	including a robust national dialogue process during the development of the strategy, the project will give national stakeholders more say in the decision-making about the priorities and uses of the Outer Islands than ever before. Decisions about the siting of official protected areas and other conservation zones, about oil and gas development, mariculture operations, and new tourism facilities, will involve more stakeholders and be based on more technical inputs and transparent processes than in the past. Similarly, specific stakeholder groups such as commercial and sport fishermen will be able to participate in decisions about PA boundary setting and zoning and the regulations adopted for conservation and sustainable use of the marine environment. Protected Area management will itself enhance social participation and sustainability, as the project will enable the participation of new NGO and private sectors partners as official PA managers. The project also will support PA managers in working with fishermen, tourism operators, and other interested parties (including private citizens who may want to visit the islands) in collaboratively seeking solutions that balance the needs of these groups and the biodiversity conservation and ecosystem functioning objectives of the designated PA sites. The involvement of stakeholders in the ecosystem wide processes and in operational protected area planning will be guided by stakeholder engagement plans, which will include provisions for conflict management with different user groups.	fisheries, the project will prevent the decline of fish stocks and the destruction of important habitat for fish species, to the benefit of local commercial fishermen, consumers, and the recreational and sport fishing sectors. For the tourism sector, by limiting development and preventing environmental degradation, the project will ensure that tourism visitation will continue to the Outer Islands (tourists come to the Seychelles to enjoy the exceptional beauty of the country, and in the Outer Islands in particular, they come to engage in nature-related activities such as fishing and diving). The project also will establish an overall vision and strategy for the Outer Islands that will help to guide the development of other economic activities in the region (e.g. oil and gas development, mariculture) while also ensuring that such activities minimize their impact on natural ecosystem functioning and avoid critical habitat areas. In these ways, the project will engender a paradigm shift from unsustainable to well-planned and collaborative sustainable use of natural resources in the Outer Island region.

A.6. Risks

A more thorough risk analysis than that of the PIF has been carried out and is contained in the PRODOC, Section I, Part II – Project Risks. It is reproduced herein.

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
STRATEGIC Opposition to restrictions on fishing / access to PA sites from local fishermen (semi-industrial fishers, especially sea cucumber and shark fishermen, as well as sport fishermen), tourism operators, and others who may wish to visit the islands, particularly as security gets	Medium	Moderately Likely	**Medium**	During project preparation, meetings were held with representatives of semi-industrial and sport fishermen (artisanal fishermen have not traditionally engaged in fishing in the Outer Islands; although this could change in the future with better on-board refrigeration capacity). In general, these groups welcome increased protection and the presence of conservation personnel in the Outer Islands; in their view one of the main threats to the fish stocks in the Outer Islands comes from illegal fishing by foreign vessels, as well as legal activities (e.g. the use of FADs by the foreign tuna fishing fleet) that negatively impact fish stocks and habitat. Sport fishing operators also see the marketing value for their operations of increased conservation status for selected Outer Islands, particularly those that carry out catch and release fishing operations (primarily fly fishing). Nevertheless, there are likely to be some areas / issues of conflict as the boundaries of the marine zones of the Protected Areas are established and/or restrictions are placed on fishing practices, gear, seasons, etc. To address these issues and reduce the potential for conflict, the project will continue to consult with and include fishermen in the processes to

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
better and local stocks get worse on Mahe plateau.				establish the Protected Areas and to create the Ecosystem-Wide Zoning and Master Strategy for the Outer Islands. The "national dialogue" process that will be implemented as part of the development of the Ecosystem-Wide Strategy (see Output 2.3) will be a critical tool for incorporating stakeholder concerns. In addition, the project will undertake activities to educate fishermen and tour operators on issues of fisheries sustainability and ecosystem impacts of fishing practices, so as to make clear the economic benefits and the benefits to fish stocks and ecosystem functions that can be produced by sustainable fishing activities. In this regard, the project will seek to use lessons learned and best practices developed by the Agulhas and Somali Current Large Marine Ecosystem (ASCLME) Project.
POLITICAL Increasing incidents of piracy limits implementation of at-sea project activities.	Medium	Moderately Likely	**Medium**	Piracy incidents have declined in the western Indian Ocean, and specifically within the Seychelles EEZ, during the past 2-3 years. Nevertheless, the threat of piracy remains and has continued to reduce the all forms of marine travel in the Outer Islands, including fishing as well as research and monitoring activities. Existing activities to reduce the piracy threat including spending of approximately US$3.0 million per year on anti-piracy patrols and surveillance by the Seychelles Coast Guard; this figure is supplemented by considerable technical and financial support from the international community, including patrolling of the western Indian Ocean by naval vessels from more than a dozen countries. The project cannot do anything to reduce the activities of pirates; however, part of the site selection criteria for the establishment of new Protected Areas was the selection of islands that can be accessed by air (all 5 islands / island groups that will become PAs have an airstrip). This, combined with the fact that most of the marine monitoring and conservation activities will be focused within the boundaries of the official PAs (which will extend 1 km. beyond the edge of the reef flat), means that piracy is unlikely to have a direct impact of the activities or results of the project. The one exception to this is the activities of the Pangaea research vessel, which will be traveling throughout the Outer Islands. However, the Pangaea Project has already come to an agreement with the Government of Seychelles to have six armed guards on the vessel at all times; based on this, both the Pangaea Project sponsors and the Government of Seychelles have approved the commencement of the first cruise starting in October 2013, based on the current level of threat from piracy.
POLITICAL Recommendations of the Ecosystem-wide Zoning & Master Strategy and provisions of the Land Use Plans are not implemented – in other words, these products are developed, but not used.	Medium	Unlikely	**Low**	The Government of Seychelles fully backs the proposals contained in the PIF and the CEO Endorsement Request. More specifically, it acknowledges the need to strengthen the planning, assessment and consultation processes that precede the allocation of land to development projects in the Outer Islands, especially those with potential negative impacts on the environment. The Ecosystem-wide Zoning & Master Strategy for the Outer Islands and the Land Use Plans will be essential tools in this regard. With regard to the former, the project has been designed so development of the Ecosystem-Wide Strategy is highly transparent and inclusive (see Output 2.3). During project preparation, the critical institutions for management of the Outer Islands, especially the Islands Development Company but also the Ministry of Environment & Energy, the Ministry of Land Use and Housing, the Seychelles Fisheries Agency, and Petro Seychelles, were all consulted about the creation of an Ecosystem-Wide Strategy, and all of these parties expressed their support for this process. In addition, the Ecosystem-Wide Strategy will be submitted for Cabinet approval. Regarding the Land Use Plans for 4

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				islands, these will be developed based on a proven process that was used for the creation of Land Use Plans for Coetivy (the only Outer Island that currently has a Land Use Plan) as well as the main inner islands. In addition, the creation of these Land Use Plans was an explicit request of the Islands Development Company, which holds the long-term lease to each of the 4 islands and has authority for development and land use decisions on the islands (IDC wants to replicate the Land Use Planning process on other Outer Islands in the future, as a pre-condition for any development activities on any island). As with existing Land Use Plans, the plans for the 4 islands will be submitted to Cabinet for approval.
ENVIRONMENTAL Marine and terrestrial ecosystems are not sufficiently resilient and their biological and physical integrity is incrementally compromised by the effects of global and regional climate change	Low	Moderately Likely	**Low**	The design of a more representative, comprehensive and adequate system of Coastal and Marine Protected Areas (CMPAs) in the Outer Islands, as well as a sustainable development and planning process for the wider seascape, will seek to integrate the CMPA subsystem into the country's evolving climate change adaptation strategy. The removal of threats, pressures and stresses that impact on the biodiversity of this region will ensure that ecosystems are more resilient to the impacts of climate change and therefore less vulnerable to its effects. (e.g. healthy coral that is not subject to other stresses like sedimentation and pollution is more resilient to climate-induced bleaching). The work of designing the CMPAs will take ecosystem resilience and emerging threats to biodiversity into consideration, including the threat of climate change impacts. The project will establish sea/landscape scale buffer areas (e.g. no fishing zones) and where possible, marine corridors connecting PAs, which can act as a safeguard for PAs against the undesired effects of climate change by allowing biodiversity to alter distribution patterns in response to increased climate variability effects.
ECONOMIC Oil and gas development, including: 1) exploration (i.e. seismic surveys, which pose a threat to various marine species); 2) operations, likely to begin in the next 5 years; 3) spills and pollution – national and regional oil spill contingency resources unable to respond to oil spills in Outer Islands; and 4) shipping hazards / collisions	Medium	Moderately Likely	**Low**	Petro Seychelles is currently exploring potential oil and gas resources within the Seychelles EEZ. To date, most of the exploration has focused on the Mahe Plateau because that is continental land, whereas the Outer Islands are volcanic and therefore less likely to have significant deposits of oil and gas. Several mechanisms already are in place to reduce the risk of oil and gas development. The use of seismic surveys by exploration companies requires the presence of MEE scientists on board the vessels to use monitoring equipment to check for the presence of marine mammals prior to surveying (ICS also has participated in this process). All applications for permits to drill must be reviewed by relevant government agencies including the Ministry of Environment and Energy (MEE) and the Islands Development Company (IDC) and will be subject to Environmental Impact Assessments overseen by MEE; any drilling operations proposed for inshore areas near to one of the Outer Islands will require further review by the Ministry of Environment and Energy. Drilling companies will be required to have a strong oil spill contingency plan and resources, approved by government. Finally, Petro Seychelles will be required to work with the Seychelles Coast Guard and the Seychelles Maritime Safety Administration to develop and implement shipping coordination processes to prevent collisions, spills, etc. In addition to these existing / planned mechanisms, the project will contribute to risk mitigation by developing the Ecosystem-wide Zoning & Master Strategy for the Outer Islands (Output 2.3), which will identify areas of critical habitat and/or ecosystem functioning where oil and gas development and/or shipping should be restricted. Petro Seychelles was consulted during the project preparation phase and has confirmed their interest and willingness to participate in the development of the

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				Ecosystem-wide Strategy.

A.7. Coordination with other relevant GEF financed initiatives

Refer to PRODOC, Section IV –PART III: Stakeholder Involvement Plan and Coordination with other Related Initiatives.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

B.1 Stakeholder engagement in project implementation

A thorough stakeholder engagement plan is contained in the PRODOC.

Refer to PRODOC, Section IV –PART III: Stakeholder Involvement Plan and Coordination with other Related Initiatives.

B.2 Socio-economic benefits at the national and local levels, including gender dimensions considerations

and how these will support the achievement of global environment / adaptation benefits

By creating the first-ever planning strategy for the Outer Islands region, including a robust national dialogue process during the development of the strategy, the project will give national stakeholders more say in the decision-making about the priorities and uses of the Outer Islands than ever before. Decisions about the siting of official protected areas and other conservation zones, about oil and gas development, mariculture operations, and new tourism facilities, will involve more stakeholders and be based on more technical inputs and transparent processes than in the past. The project will provide various forms of professional development for Seychellois, including certifications as boat operators, dive instructors, etc., technical training for PA management staff; and through the Pangaea project, credit towards graduate degrees for several national researchers.

By establishing new official protected areas, the project will create additional employment opportunities for Seychellois as protected areas staff. Furthermore, establishment of new PAs and management structures for the Outer Islands will facilitate increased tourism development and visitation, creating additional employment opportunities at hotels, with charter boat (diving and fishing) operators, and possibly with other ecotourism related activities. Among other possibilities, the following types of employment could be generated by increased PA management and tourism development in the Outer Islands: eco-tour guiding (e.g. to visit area of native forest, or mangrove walkways, or historical sites of interest such as old copra production facilities); snorkel / dive guiding; sea kayak tours; etc. In addition, both SIF and ICS have expressed interest in establishing visitor centers on the main island of Mahe to give tourists a virtual tour of the Outer Islands and to explain the conservation work that they underake on the islands, which would provide additional job opportunities for local residents.

The project will benefit Seychelleois fishermen by reducing poaching by foreign fishing vessels in the Outer Islands, and by ensuring the sustainability of fish stocks that are currently umanaged and in some cases (sharks, large reef fish) already over-harvested. Protection of the marine environment and fish stocks will not only protected commercial and sport fishermen, but also will help to sustain the tourism operations in the Outer Islands, which employ many Seychellois.

Gender dimensions remain unchanged since the PIF.

UNDP carried out due diligence prior to clearance of the PRODOC and screened the project for potential social and environmental negative effects.

Refer to PRODOC Annex 3 for the UNDP Environmental and Social Screening applied in May 2013 / concluded on 28 Aug 2013.

B.3. Cost-effectiveness reflected in project design

The cost effectiveness analysis has been further developed since the PIF. Cost-effectiveness is enshrined in the project strategy and its choices.

For a summary refer to PRODOC, Section I, Part II – Cost Effectiveness Analysis, which is reproduced herein.

The project will seek to achieve a catalytic investment, through the development of key partnerships and cost sharing approaches and by taking advantage of ongoing development trends, to expand the protected areas estate in the Outer Islands of the Seychelles and ensure that new PA sites are effectively managed for biodiversity conservation and the preservation of ecosystem functions. The timing for expansion of the PA estate in the Outer Islands is highly advantageous for several reasons. Expected oil and gas developmetn in the region not only makes this an opportune time to establish more protection for Outer Island ecosystems, but it also presents a potential significant funding source for PA management. Similarly, tourism development in the region is expected to increase in the next few years, and the project will expand and fine-tune the current model for conservation management based on tourism revenues. The potential debt for climate adaptation swap between the Government of Seychelles and the Paris Club of Creditors, expected to be finalized in 2014, will provide another US$1.9 million/year over 20 years for marine protected area management in the country, much of which is likely to complement the goals and objectives of this project in the Outer Islands. The proposed project can also build off of current programs and policies in the Seychelles that have laid the groundwork for NGO and privately managed protected areas. These programs include the development of a new national PA policy (expected in late 2013) and a new PA law (expected in 2014), which will clarify the roles and responsibilities of NGOs and private partners as PA managers, and allow them to more efficiently implement PA management planning and carry out enforcement activities. Finally, the cost effectiveness of this project is enhanced by its partnership with the Pangaea Project, which will be expending significant funds to establish baseline biodiversity data for many critical habitats / species in the Outer Islands; this data will greatly enhance the ability of PA managers to prioritize management interventions and will support the siting and establishment of new official PA units as well as other types of conservation zones (such as IBAs and temporal protected zones).

Thus, the costs incurred in the implementation of the proposed project will relate only to those additional actions required to provide key incremental assistance to the government, NGOs and private partners in undertaking critical interventions to improve the representivity, governance, planning and operations of protected areas in the Outer Islands. The project will seek to complement and build upon the extensive baseline activities already underway by the three NGOs (ICS, SIF and DRC) operating existing or future PA sites in the Outer Islands. At the same time, the project will seek to utilize the existing resources and capacities of these NGOs as well as their private sector partners in the Outer Islands (IDC and hotel operators), and of key government institutions (MEE for planning and information management; SFA for fisheries monitoring and enforcement; etc.) to implement project activities. Increased co-financing commitments will continue to be targeted by the project during the implementation phase (e.g. securing funds for PA management from the new Corporate Social Responsibility tax; increasing tourism-based revenues for PA management).

The project seeks to catalyse the expansion of the national system of protected areas at five new sites in the Outer Islands, and improve management at new PA sites for biodiversity conservation and ecosystem

functioning. The project will complement and build on existing baseline conservation and ecosystem rehabilitation efforts already underway at three of the proposed sites (Desroches, Alphonse and D'Arros).

The project is considered cost-effective for the following primary reasons:

- The estimated initial capital expenditure and operating costs (during the first 5 years) to establish effective PA management at each of the 4 ICS-managed PA sites is US$311,000 / year (the 5th site, managed by the D'Arros Research Centre, is independently funded and will not receive any GEF project funding). Once basic infrastructure, equipment, processes and capacity building is in place however, the on-going capital and operational costs of maintain effective PA management are significantly reduced to an estimated level of US$164,000 / year. Thus, a catalytic investment by the GEF in the initial start-up costs of establishing these 4 PA units will reduce the recurrent costs of managing them over the long term by almost 50%.
- A modest expenditure in PA business planning and development of financial sustainability mechanisms will contribute to stabilizing the financial flows to protected areas. As a result of project investments, it is anticipated that by the end of the project revenues for the 4 ISC-managed PA units will increase from a baseline of US$178,410 / year to approx. US$500,000 / year, with significant new income from additional tourism-based revenues and from the Corporate Social Responsibility tax. This estimate is conservative in that it does not include any funding from payments from the oil and gas industry to offset development in the Outer Islands, or payments from the Debt for Climate Change Adaptation Swap, although both of these sources could add substantially to the amount of funds available for PA management in the Outer Islands. Similarly, it does not include any estimate of increased donor funding, although the formal declaration of these islands as protected areas, as well as the increased baseline information that will allow for a better understanding of the global importance of these sites, will enable the PA managers to approach prospective donors with a stronger argument for support.
- Project support for the improvement of the proficiency and skills of protected area management staff will ensure that the productivity and effectiveness of the human resources available to support each PA site is enhanced and optimally organized. The initiation of collaborative efforts among ICS, DRC and SIF, as well as new partnerships with international researchers (primarily through the Pangaea Project), will further improve staff capacities. In addition, the project will help to develop a program whereby ICS and others can work with international volunteer organizations and/or national and international academic programs to fill some of the PA Unit staff positions with volunteers and /or graduate students.
- By improving the quality of baseline information on ecological conditions, and establishing a decision support system, the project will help PA managers to improve the quality and cost effectivness of their management decisions. Similarly, the project will establish partnerships between PA managers and the SFA and Coast Guard to coordinate on enforcement and compliance, building on the existing Vessel Monitoring System (VMS) managed by SFA. The project also will support cost effectiveness through the best practices in marine habitat mapping and monitoring that will be developed by SIF and shared with other project partners, and by the testing and sharing of different methodologies and approaches to re-vegetation that will be developed jointly by ICS and DRC. Overall, the concurrent establishment and operationalization of these five PA units will produce significant benefits in terms of the sharing of resources and expertise among the different sites, and these benefits will be further extended through the proposed collaborations with SIF.
- Finally, the PA units established through the proposed project are designed to be demonstration sites to show the viability of establishing tourism-funded PA units at other sites in the Outer Islands, and ultimately it is envisaged that ICS and possibly other NGOs will operate a network of Protected Areas throughout the Outer Islands with significant revenues from tourism operations. The lessons learned from establishing the trained staff, infrastructure, equipment and PA management processes at these sites will be used to maximize the cost-effectiveness of establishing new PA units in the Outer Islands.

C. BUDGETED M &E PLAN

The project's M&E Plan is thoroughly described in the UNDP PRODOC. For more detail, refer to Section I, PART IV: Monitoring and Evaluation Plan and Budget. The table below provides a summary.

Type of M&E activity	**Responsible Parties**	**Budget US$** *Excluding project team staff time*	**Time frame**
Inception Workshop and Report	▪ Project Manager ▪ UNDP CO, UNDP GEF	Indicative cost: 2,000	Within first two months of project start up
Measurement of Means of Verification of project results.	▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on *output and implementation*	▪ Oversight by Project Manager ▪ Project team	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG	None	Annually
Periodic status/ progress reports	▪ Project manager and team	None	Quarterly
Mid-term Evaluation	▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team)	Indicative cost: 20,000	At the mid-point of project implementation.
Final Evaluation	▪ Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team)	Indicative cost: 30,000	At least three months before the end of project implementation
Project Terminal Report	▪ Project manager and team ▪ UNDP CO ▪ Local consultant	0	At least three months before the end of the project
Audit	▪ UNDP CO ▪ Project manager and team	Indicative cost: 6,000	Yearly
Visits to field sites	▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives	For GEF supported projects, paid from IA fees and operational budget	Yearly
Inception Workshop and Report	▪ Project Manager ▪ UNDP CO, UNDP GEF	Indicative cost: printing costs only, if any.	Within first two months of project start up
Measurement of Means of Verification of project results.	▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on *output and implementation*	▪ Oversight by Project Manager ▪ Project team	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG	None	Annually

Type of M&E activity	**Responsible Parties**	**Budget US$** *Excluding project team staff time*	**Time frame**
Periodic status/ progress reports	▪ Project manager and team	None	Quarterly
TOTAL indicative COST *Excluding project team staff time and UNDP staff and travel expenses*		US$58,000	

*Note: Costs included in this table are part and parcel of the UNDP Total Budget and Workplan (TBW) in the PRODOC, and not additional to it.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S)

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Mr. Didier Dogley	GEF Operational Focal Point Special Advisor to the Minister of Environment and Energy	Ministry of Environment and Energy	August, 24th, 2011

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator	Signature	Date *(Month, day, year)*	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP/GEF Officer-in-Charge and Deputy Executive Coordinator		December 3, 2013	Fabiana Issler Regional Technical Advisor, Ecosystems & Biodiversity, Africa, UNDP-GEF	+27-12-3548128	fabiana.issler@undp.org

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).

Refer to specific sections and pages in the PRODOC for a reference:

SECTION II: Strategic Results Framework (SRF) and GEF Increment — pages 85-89

PART I: Strategic Results Framework Analysis:

Programmatic Links

Indicator Framework as part of the SRF

Project Outputs

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).

Comments	Responses	Changes made in full project
GEF Secretariat Review Sheet ***Review Sheet from December 07, 2011 / other communications dtd Oct 2013***		
31. Items to consider at CEO endorsement/approval. 12-07-11 At CEO Endorsement please address the following: 1. Thorough description of the structure and function of the "Public-Private-Civil Society PA Partnerships Boards". 2. Sustainability of the spatially-based decision support system and monitoring systems to be developed and deployed as a result of this project. Emphasis on partner responsibility to cover the recurrent costs associated with these systems. 3. Detailed budget associated with the activities necessary for enforcement. This is critical considering the area to be cover, the difficulties in logistics and associated cost.	<u>With respect to point #1)</u> Component 1 of the project is about the enhancement of the management effectiveness of a sub-set of PAs in the Outer Islands (namely coastal and marine PAs of categories I, II and VI). The context for the establishment and operationalization of these PAs, as well as the steps that this will imply, are fully described in the UNDP PRODOC. This will be achieved with the help of some form of public-private-civil society partnership collaboration. We also stressed the innovative character of these arrangements. However, we note that the term "Public-Private-Civil Society PA Partnerships Boards" is not totally adequate for the context in Seychelles. It stems from the REMNPAS project in Zambia, which we made reference to in the PIF. With the development of the FSP in close collaboration with key stakeholders, preferred dropping the idea of 'boards'. This is because the arrangements among private sector, civil society and the involvement of the State in Seychelles do not allow for a "one-size-fits-all" solution. Also, various PA managing entities (including island foundations and parastatals) respond already to their own respective boards. Hence, setting up additional "boards" for the sake of partnerships would not be feasible. Instead, we focus on public-private-civil society partnership 'agreements' and indicate in detail in Component 1 how these would function. Refer in particular to the description of Output 1.5 in the PRODOC (*Protected Area Management Structures in place and sufficiently financed*). Else, it should be noted that it is common for island foundations, which are often the 'philanthropic arm' or private island owners, to enter into agreements with ICS and other CSOs to fund the conservation work on the islands Also, the parastatal IDC needs to be necessarily involved in this kind of work in the Outer Islands, given its mandate for island development on behalf of the State. <u>With respect to point #2)</u> Refer to PRODOC, description of baseline topic 2b (*Environmental data management systems and capacity*), as well as paragraph 135, where we explain how the project will make use of decision support systems to	No changes made.

Comments	Responses	Changes made in full project
	operationalize the Ecosystem-Wide Zoning & Master Strategy. Refer also to paragraph 168, where we focus on the institutional sustainability aspect. We would like to highlight the following: • Although small, the Ministry of Environment and Energy (MEE) is counts on a Data Management Section responsible for carrying out all national environmental data consolidation and reporting. The project will build the capacity of this unit to take on the additional tasks of supporting decision making on sustainable development in the Outer Islands region. Output 2.4 (*Institutional Capacity strengthened for the implementation of Integrated Natural Resource Management*) describes how this will be done, including how this will link with what is already in place, with what other projects and partners are doing and how synergies will be sought. The prospects for sustaining the specific results of the project in terms of decision support systems are good. • The MEE will lead the development of the Strategy, with technical input provided by technical experts to support GIS and spatial planning processes, and to help facilitate discussions among key stakeholders (MEE, ICS, IDC, SFA, FBOA, SIF, DRC, MLUH, SNPA, etc.). MEE will also ensure their continued engagement. We suggest in paragraph 135 various tools for decision-support on land-seascape use -- from the public use ones (such as the Marine Spatial Planning developed by UNESCO-IOC), to other off-the-shelf tools also mentioned. Yet, the system, which will have a once-off establishment cost, is obviously more than the tools that it will use. It is about putting the tools into use and having the capacity to do so. It should be noted though that Seychelles already has a functional and GIS-based decision support system, as well the processes and legal framework for implementing much of the decision. The project will mostly allow for the uploading of much more detailed information on the Outer Islands and expand the scope of this work. • More specifically, institutional sustainability will be achieved by strengthening the MEE's institutional and individual capacities in data information management, decision support systems, and spatial planning processes, in order to develop, update and maintain Decision Support Systems (DSS), and to apply the DSS to the development and maintenance of the Ecosystem-Wide Zoning and Master Strategy for the Outer Islands. ICS and other Outer Islands conservation organizations will receive complementary training in the use of GIS and information management systems, and ICS will develop and implement a data management system (linked to the DSS) to improve information sharing between different PA sites and management agencies. <u>With respect to point #3)</u> We obviously exclude activities related to anti-piracy enforcement, which are not within the scope of this project, but whose investments (which are substantial and sustained) may have a bearing on certain activities and aspects of the project (we refer to it in different passages) Specifically on enforcement of sound environmental management on the Outer Islands, which is the goal of the	

Comments	Responses	Changes made in full project
	project, it is difficult to pin-point an exact figure from the budget dedicated to it. However, it is important to note that the effectiveness of enforcement in the Outer Islands depends to a high degree on human presence on the islands and on the intensity of patrolling of the regions' waters. The project will generally contribute to enhancing these elements – either through the operations of ICS (whose contract has a total figure of $1092K), or through the contribution of other partners (e.g. Save Our Sees Foundation and SAIAB / Pangaea). Yet, from the Total Budget and Workplan, we can highlight the following: • Budget notes 5-1 and 5-3, with approx. $30K which can be said to contribute to enforcement; • Budget notes 6 and 12, which refer to the management contract with ICS to implement activities at 4 new Outer Island PA sites (details are in Annex 4). Much of the total figure can be said to co-support enforcement; and • Budget note 11, with approx. $48K, which focuses generally on capacity building for sustainable management in the Outer Islands, including enforcement.	
GEF Secretariat's comment on the need to clarify the co-financing amount from Desroches Island Lodge through a commitment letter.	A new letter of co-financing was provided by Desroches Island Lodge on 02 December 2013. It substitutes a previous letter provided on 13 June 2013, which did not contain and amount. The co-financing from Desroches had not been accurately recorded in the first submission. It is not $252,692, as previously indicated, but actually $109,500. Various corrections were made to the CEO Endorsement documentation: - In the CEO Endorsement Request Document: Part I, Tables A, B and C; and Part II, section A2, topic 'Co-financing' - In the set of letters of co-financing - In the PRODOC, Section IV, Part I	Relevant sections and tables where the co-financing is indicated.
Other reviewers: LPAC participants and UNDP finance		
Comments from the participants in the Local Project Appraisal Committee (LPAC), which took place on 20 Aug 2013 *UNDP-GEF Finance and Programme Support Unit*	Additional text was included upon request from the participants from the LPAC, which took place on 20 Aug 2013 and approved the PRODOC for signature by government and UNDP. Also, the updated expected outputs of UNDP's new Strategic Plan (2014-2017) have now been included. Finally, small typos throughout the document and round-off errors in the budget and Annex 4 were corrected. All changes highlighted.	Signature page added Section II, Part I - Programmatic Links SRF (sub-indicators added in a matrix)

Comments	Responses	Changes made in full project
STAP Scientific and Technical Screening of the PIF ***Minor revision required***		
STAP welcomes this contribution to expanding and strengthening the protected area estate in Seychelles. Overall this is a reasonably well considered PIF, although STAP believes consideration of the following in the project design phase would further improve the overall robustness of the project.		
1. The PIF notes the proposed use of Integrated Land Management models. Additional elaboration on the island specific approach/methodology proposed is required, rather than simply making reference to generic models that will no doubt require modification in this context.	As described in Output 2.2, Land Use Plans will be developed for four islands / island groups (Desroches; Alphonse; Poivre; and Farquhar). The process and structure of the LUPs will be modeled on the Land Use Plan developed and endorsed by Cabinet in 2010 for Coetivy, another of the Seychelles' Outer Islands (funded through the UNDP-GEF Mainstreaming Biodiversity project). The Coetivy plan addressed such issues as tourism development, villa development, agriculture and forestry development, aquaculture and fisheries development, nature conservation and environmental aspects (including flora, fauna, invasive alien species, solid waste management, and conservation areas), settlement areas, infrastructure, and energy supply, water and wastewater management. The final LUP for Coetivy specifies priorities and restrictions for each of the aforementioned categories, and also establishes a zoning system for the terrestrial part of the island with 16 land use zones. Each of the new Land Use Plans will provide the basis for approvals of any new or expanded investment projects on these 4 islands, and will establish the model for similar land use planning on all other Outer Islands prior to the approval of any investment projects (in addition, Seychelles Environmental Impact Assessment process applies equally to the Outer Islands and will also be used to assess any new investments). Once the Land Use Plans have been developed and all public consultations and inputs have been satisfied according to national regulations, the plans will be presented to the Planning Authority and IDC for their approval, and then to Cabinet for its endorsement, before going into effect. The process of developing the LUPS will be based on the process used in Coetivy, wherein an inter-agency team from the Ministry of Land Use and Housing (MLUH), the Planning Authority (PA), the Ministry of Environment (MoE), the Seychelles Fishing Authority (SFA), the Seychelles Agriculture Agency (SAA), and the Island Conservation Society (ICS) jointly visited the island, developed the plan, and revised the plan based on public input.	The PRODOC describes in detail how the LUPs will be carried out in project sites and why the methodology was chosen.
2. The root cause of pressures is not clearly indicated, although threats are noted 'both direct and indirect' (global change/climate change). The threats from the oil/cargo shipping lanes (along the western part	It is correct that oil and gas development pose the potential future threat of oil spills in the Outer Islands. During the exploration state, the use of seismic surveys poses a possible threat to marine mammals. If and when production does begin, it will pose a threat in terms of ecosystem degradation associated with required infrastructure (this may include designating one of the Outer Islands as a logistics based for the oil drilling platforms), as well as the threat of oil spills. In addition, the marine environment of the Outer Islands is subject	The PRODOC contains detailed analysis of threats. In particular,

Comments	Responses	Changes made in full project
Amirantes and Aldabra group), oil exploration and marine debris (a significant issue) are not elaborated. It should be noted that energy sources on the outer islands have traditionally been firewood" leading to land conversion: are there any co-benefits arising from establishment of PA's in this context?	to the threat of pollution associated with shipping; the shipping lanes along the East African coast are among the busiest in the world, carrying over 30 percent of the world's crude oil supplies. Over 5,000 tanker voyages per year take place in the sensitive coastal waters of Comoros and Madagascar and along the coast of East Africa, passing in close proximity to some of the Seychelles' Outer Islands, notably the Aldabra Atoll. High winds and high seas are common in the region, raising the risk that ships will accidentally spill oil, chemicals, and other hazardous substances. Whether from new oil and gas developments or from shipping, a large oil spill could severely harm the economy and ecological functioning of the Outer Islands by damaging fishing diving grounds, and polluting beaches important for turtle nesting and tourism. On a smaller scale, but locally important, tourism and fishing vessels that operate in the Outer Islands have been know to pump out sewage, discard garbage, and leak oil and fuel in areas of critical marine habitat. Previously, the dumping of ballast water and washing out of holds was also a notable threat in Seychelles' waters, but this has declined greatly in the past 2-3 years due to stricter regulations and better enforcement. Finally, any mariculture development that may take place in the Outer Islands will pose a pollution threat to marine ecosystems. With regard to firewood, this is no longer an energy source used on the Outer Islands, or the cause of land conversion there. Additional analysis of the threats, and root causes of those threats, to biodiversity and ecosystem functioning is provided in the UNDP Prodoc (Section I, Part I, Situation Analysis).	considerations on the threats and risks posed by oil and gas, as well as marine debris are included in the PRODOC.
3. There is mention of the impacts of climate change but there is no reference to any published works on the climate variability/change in the target areas. Outcomes of future projections of climate change are not presented. Vulnerability assessments and risk evaluations do not appear to be taken into consideration. Recovery of coral reefs from coral bleaching is an important benchmark in evaluating resilience and also priority areas for conservation.	The potential impacts of climate change for the Outer Islands of the Seychelles, based on the report "Seychelles Climate Change Scenarios for Vulnerability and Adaptation Assessment" (2007), part of the Seychelles Second National Communication Under the UNFCCC, are described in the UNDP Prodoc (Section I, Part I). This analysis includes information on future projections of climate change for the Seychelles; it does not include vulnerability assessments as these were only done for the agriculture sector in the reporting for the Second National Communication. With regard to coral reef impacts and resilience, the project will initiate or expand coral reef monitoring programs at each of the Protected Area sites in the Outer islands (including the 5 new PA sites and the existing Aldabra PA). Reef monitoring protocols currently being used by various Outer Island NGOs will be reviewed and tested by ICS, SIF and DRC, with logistical support at some sites from the Pangaea project, in order to develop a standardized protocol and a related monitoring manual, and to undertake joint training in the relevant techniques (SIF as part of its collaboration with SAIAB / Pangaea will be testing the applicability and suitability of a range of different survey protocols / methods for monitoring coral reefs around Aldabra, the results of which could provide the basis for developing a new set of standard protocols for use by all the Outer Islands NGOs). The project will establish Coral Reef Monitoring Stations that will be used to monitor coral, fish and macro-invertebrates and thereby assess changes in the main components of coral reef biodiversity and health. One aspect of the monitoring will focus on identifying coral reefs with high resilience to climate change impacts (building on reef resilience surveys that have been done already for Farquhar, Alphonse and Desroches). Depending on the protocol adopted, indicators recorded may include: live hard coral cover (%), dead hard coral cover (%), bleached corals (number or percent colonies bleached and severity of bleaching), abundance of coral recruits (per m^2), abundance/biomass of fish / family / trophic levels (per m^3), and density of macroinvertebrates (per m^2). Improved understanding of the status and diversity of coral reefs	Climate change considerations are described in much more detail in the PRODOC.

Comments	Responses	Changes made in full project
	and associated resources (e.g. benthos, fish and macroinvertebrates) at the PA sites will lead to direct conservation benefits, including the design of a coral reef conservation plan for each island, the boundary setting and zoning of the protected areas, and the possible designation of specific high protection zones within the Outer Islands PA network. The information also will help to determine actual and potential climate change impacts (e.g. extent and degree of bleaching) and to identify coral reefs with high resilience to climate change impacts, which may be areas for additional protection measures. (Additional details are provided in the UNDP Prodoc, Section I, Part I, description of Output 1.1).	
4. On the issue of protected areas: the rationale for choosing these islands/island groups is not clearly presented. Numerous gap analyses and research/mapping exercises have been undertaken on the outer islands which are not referred to. Improving adaptation measures through migration corridors are not mentioned.	Five islands / island groups have been selected for the establishment of new Protected Areas in the Outer Islands. One of these areas is the D'Arros island group consisting of D'Arros and St. Joseph islands and the lagoon they share; this is the only privately owned island in the Outer Islands. The owner of the island, through the Save Our Seas Foundation, has come to an agreement with the Government of the Seychelles to establish an official protected area at the site; therefore this island group was included in the project because the owners are already in the process of becoming a protected area, they have significant financial resources to manage the protected area, and the island group contains globally significant biodiversity (see UNDP Prodoc, Section I, Part I, Situation Analysis). The other 4 islands / island groups selected for new PAs are leased from the Government by the Islands Development Company (IDC), as are almost all of the Outer Islands. These islands were selected as the sites for official Protected Areas based on several criteria: 1. Tourism Development: The islands have already or are poised to have tourism development, which will provide significant and ongoing financing for Protected Area management at each site. Given the remote location and difficult logistics of reaching these islands, the issue of selecting sites that can generate sustainable financing is a critical one. Two of the islands, Desroches and Alphonse, already have hotels and/or villas on them. It is expected that additional tourism development will take place on those islands, and that new tourism developments will take place on the other two islands (Farquhar and Poivre); in all cases, tourism developers / operators will be required to collect fees from visitors that will go towards PA management (it is important to note that tourism development on Desroches and Alphonse will be limited to areas specific in the Land Use Plans for each island and that these PAs are to be classified as Sustainable Use Areas; as for Farquhar and Poivre, tourism development will only take place on islets that are not included within the PA boundaries). In addition, it is expected that hotel operators will provide other contributions to PA management, such as providing food for PA staff, providing logistical support to marine monitoring activities (through the use of boats and equipment), and participating in beach clean ups and beach profiling activities (among others). 2. Logistics, Infrastructure and Personnel: Each of the islands has a functioning airstrips; given the uncertainty of the piracy risk in the western Indian Ocean, the ability to travel to and supply the islands by air is an important consideration for PA management (as well as for the potential for tourism development). Furthermore, ICS already has a conservation team on Desroches and Alphonse islands, with accommodations and offices, and an on-going agreement for the hotels on each island to feed the ICS staff (future PA staff). On Farquhar and Poivre, there are already IDC facilities that can be converted to provide	The rational for choosing project sites is thoroughly explained in the PRODOC.

Comments	Responses	Changes made in full project
	accommodation and offices for ICS staff. 3. Biodiversity & Ecosystem Values: As the reviewer rightly notes, a number of gap analyses and mapping studies have been carried out for the Outer Islands. Some of these studies have identified Outer Islands not included in this project as critically important for biodiversity and ecosystem functions. These would include islands such as Aldabra, Cosmoledo, Astove, and Assumption, among others. In the case of Aldabra, this is already an official Protected Area. Cosmoledo, Astove and Assumption were all considered for this project as well, but their extremely remote location, lack of infrastructure, and absence of any potential tourism development, made them unfeasible as sites for Protected Areas. Furthermore, all of the selected islands / island groups contain globally significant biodiversity and ecosystems that merit their inclusion in the Protected Areas system of the Seychelles. In addition, because Farquhar and the selected sites in the Amirantes Group of islands do not form part of the Aldabra Group of islands, they encompass a different mix of terrestrial and marine habitats that are not currently represented in the official PA system, and due to their position relative to one another and within the overall Seychelles archipelago, a system that included PA sites at Aldabra, Farquhar and the Amirantes would create a valuable network that protected important biodiversity corridors within the western Indian Ocean. In summary, the decision on site selection for new Protected Areas was made using both ecological criteria and functional criteria. Given the costs and challenges of establishing protected areas in the remote Outer Islands of the Seychelles, this approach is believed to be the most likely way to sustainably protect important ecosystems while avoiding the creation of "paper parks".	
5. While outside of the domain of STAP, the Panel wishes to point out that capacity building and institutional constraints are highlighted as barriers but not addressed in the risk matrix. References: • Point #1: SMARTPARKS project website: http://www.projectosmartparks.com/. Recent scientific paper highlights the methodology and cautions against use of generic frameworks: Gil A., Calado H., Costa L.T., Bentz J., Fonseca C., Lobo A., Vergilio M. and Benedicto J., 2011. A Methodological Proposal for the Development of Natura 2000 Sites Management Plans. Journal of Coastal Research, 64: 1326-1330.	Based on the results of consultations and studies conducted during the project preparation phase, the barrier analysis has been revised to more clearly demonstrate that many of the existing institutional and capacity barriers (particularly those relating to SNPA) that were emphasized in the PIF document are not in fact significant barriers to the establishment of Protected Areas in the Outer Islands (since in fact all of these Protected Areas will be managed by NGOs). There are of course other capacity and institutional constraints more directly related to the institutions (ICS and DRC) that will manage the PAs established through this project, as well as the institutions (MEE, SFA) that will play a key role in overall ecosystem planning and management, and these are described in the revised barrier analysis. However, these are not described in the risk matrix because it is believed that the project design will remove the critical barriers related to institutional capacities and mandates. This is in line with prior GEF guidance whereby barriers as identified in GEF project documents do not necessarily (or even typically) constitute risks to the project; in fact barriers are issues to be addressed in the project design, while risks are typically issues that cannot be comprehensively addressed by the project.	Two new outputs were added to address this comment.

Comments	Responses	Changes made in full project
• Point #2: See Cicin-Sain B. & Belfiore, S. (2006) Linking marine protected areas to integrated coastal and ocean management: a review of theory and practice. Ocean & coastal Management, 48:847-868. Also - Please refer to the GEF Western Indian Ocean Marine Highway Project & the GEF Western Indian Ocean Islands Oil Spill Contingency Planning Project. • Point #3: See GEF â€“ Seychelles Enabling Activities for UNFCCC- Climate Change Scenario's, etc. Also see Sheppard, C.R.C., 2003: Predicted recurrences of mass coral mortality in the Indian Ocean. Nature 425, 294-297. • Point #4. For example see a collection of papers at: Spencer T., Laughton, AS., Flemming, NC. (2005) (Special Issue) Atmosphere-ocean-ecology dynamics in the Western Indian Ocean, Philosophical Transactions of the Royal society A, 363 (1826):3-307.		
Climate Risk Analysis 1. The area is subject to climate risk and the climate change risk is HIGH. STAP suggests that the PIF has not adequately considered climate risks in the development of this initiative - for instance vulnerability or development scenarios. There is relatively little consideration of climate variability and projected ocean variability. Research gaps in areas such as ocean acidification, risks to future coral bleaching, algal/toxic blooms, fish migrations should be highlighted.	Responses to the risk of climate change impacts have been integrated into the design of the Full Project. Many of the ecosystem and species assessment, monitoring and conservation programs (Output 1.1) incorporate analysis of climate change impacts on the targeted ecosystems and species, including the issues of coral bleaching and coral resilience as well as fish migrations (which will be studied in great detail by the Pangaea project, the results of which will feed into the Ecosystem-wide Zoning and Master Strategy for the Outer Islands (Output 2.3). In addition, Output 1.1 includes a specific activity to assess and monitor current and potential climate change impacts on biodiversity and ecosystem functioning, by establishing a sea surface temperature network to collect long-term data on changes in sea surface temperature at PA sites in the Outer Islands and to monitor the impacts of those changes on coral reefs and other critical ecosystems. High seawater temperatures over long periods of time are known to be one of the key stressors that can cause coral bleaching and can lead to coral mortality, as happened over large areas of reef throughout the western Indian Ocean during the mass bleaching event in 1997/1998. Prior research has shown significant spatial variability in the severity of the 1997/1998 event, linked to local scale variability in seawater temperature conditions among other factors (e.g. light, exposure etc.), but additional monitoring of ambient environmental conditions is needed for an improved understanding of the resilience of coral reefs under future climate change scenarios.	Climate change considerations are described in much more detail in the PRODOC.

Comments	Responses	Changes made in full project
	Both ICS and DRC have installed a network of seawater temperature loggers at the 5 target PAs of this project, which automatically record the integrated seawater temperature over a user-defined interval, but additional loggers (15-20) are required to complete the network. Monitoring ambient environmental conditions around the core PAs will improve understanding of coral reef resilience under future climate change scenarios, which will help to inform the PA design and provide the justification needed for designation of specific high protection zones within the Outer Islands PA network.	
2. All of the GEF project components targeted are prone to climate risks. The project interventions will contribute to reducing vulnerability, but there is scope to mainstream adaptation rather than treated as a by-product of the intervention. PA expansion can possibly lead to mal-adaptation, if the PA is not representative, there are no migration corridors and buffers, or restoration efforts are not effective.	The project has integrated climate change adaptation into both the boundary setting / zoning of new protected areas and the overall Ecosystem-wide Zoning and Master Strategy for the Outer Islands. Regarding the former, the marine boundaries of each PA site will be set at a distance of 1 km. from the outer edge of the reef flat around each island. However, this 1 km. is an initial proposal that may be revised during or after the project (which can be done with a regulatory rather than legal change), based in large part on the results of the ecosystem and species assessment and monitoring activities that will take place from the very beginning of the project. Within the boundaries of the official protected areas, zoning of both terrestrial and marine components will be informed by the results of the BD assessments and habitat mapping under Output 1.1, and will take into consideration both current conditions and projected future conditions based on potential climate change impacts. Furthermore, the draft PA policy for the Seychelles envisions the possibility of establishing areas for conservation and protection that are not formally designated PA units. Such sites may include spawning, nursery and congregation areas of importance for marine and coastal organisms where fishing and other activities is prohibited or limited; marine conservation corridors to restrict some activities along the migratory routes of key species; and the creation of new Important Bird Areas or collection of additional data to strengthen protection at existing IBAs; assessments of these possible conservation zones also will take into account potential climate change impacts and the need to enable ecosystem / species adaptation. As for the ecosystem-wide zoning and master strategy for the Outer Islands, this will become the basis for the future (post-project) establishment of official protected areas, for the creation of other conservation zones, and the template for the development of sustainable economic activities in the Outer Islands. The strategy also will integrate climate change impacts and adaptation strategies by seeking to identify (among other factors): i) new high priority marine and terrestrial conservation zones (refugia, biodiversity hotspots, resilient coral reefs, temporal protected zones for spawning aggregations, nesting sites, etc.); ii) conservation corridors (for migratory species and seabirds to maintain connectivity between islands); iii) areas of high potential climate change impacts (e.g. coastal erosion and flooding); iv) priority 'blue carbon' sequestration areas (seagrass beds and mangroves); and v) priority terrestrial areas to prevent / mitigate erosion impacts.	Climate change considerations are described in much more detail in the PRODOC.
3. The PIF has not considered resilience enhancement practices or technologies, or adaptation responses. There is however reference to generic models of intervention,	As noted above, the project will undertake activities to build resilience to climate change into the design of the PAs, including conserving fish spawning aggregations, designing the PA network to incorporate marine migratory corridors, and developing coral reef, mangrove and seagrass bed monitoring programs. The project will not be undertaking coral reef restoration / seeding activities, given the limited funds available (in addition, such activities in the Outer Islands would be better served by waiting for the results on best practices in coral	Climate change considerations, including with respect to resilience, are

Comments	Responses	Changes made in full project
but there is knowledge on specific adaptation practices and technologies that could be referred to. Additional references: • Point 1 - See GEF Project: Integrating Climate Change Risks into resilient island planning in the Maldives. • Point 2 - See for example: Lipsett-Moore, G., et al. (2010). Interim National Terrestrial Conservation Assessment for Papua New Guinea: Protecting Biodiversity in a Changing Climate: Pacific Island Countries Report No. 1/2010. • Point 3 - Hittle, J. 2011 Integrated Planning for Resilient Communities: A Technical Guide to Integrating Hazard, Ecosystem and Land Use Planning. EBM Tools Network. www.ebmtools.org	reef restoration based on the activities of the UNDP-GEF NGO PA project in the Seychelles).	described in much more detail in the PRODOC. The strategy incorporates resilience.
Comments by GEF Council Member Canada on Intersessional Work Program (for projects submitted to Feb 2012)		
All of the biodiversity projects being proposed should provide information on how they relate to the country's obligations to the CBD, particularly the Aichi Targets. As presented, the PIF is not clear on how it will help the country meet the Aichi targets. The project proponents should provide this information in the final project proposals.	At present, UNDP-GEF is assisting the Seychelles in a number of ways to better align its policies and programs to meet its obligations under the CBD and to contribute to the Aichi Targets. The ongoing UNDP-GEF project "National Biodiversity Planning to Support the implementation of the CBD 2011-2020 Strategic Plan in Seychelles" (BD EA project) is assisting the Government in revising its NBSAP to be in line with the Aichi Targets; Outcome 1 of the project is "a participative stocktaking exercise on biodiversity planning takes place and national biodiversity targets are developed in response to the global Aichi Targets", and includes activities for the development of national biodiversity targets in line with the global Aichi Targets that are duly monitored during the project duration and beyond, and reported upon to the CBD through national reports and other means. In addition, the ongoing UNDP-GEF project "Strengthening Seychelles' protected area system through NGO management modalities" is assisting the Government in writing a new "Seychelles' Protected Areas Policy". These on-going projects are therefore taking the leading role in defining how the Seychelles will meet its obligations to the CBD, particularly the Aichi Targets. Conversely, the proposed Outer Islands project is not addressing national level policies. Nevertheless, all UNDP-GEF projects in the Seychelles collaborate closely and build synergies with each other; already the BD EA project is carrying out a stocktaking exercise to "map" how different interventions (past, on-going and upcoming) are aligned against Aichi-inspired targets for Seychelles; this analysis will include the proposed Outer Islands project. In addition, the proposed Outer Island project will directly help the Seychelles meet several of the Aichi targets,	The PRODOC contains an analysis of how the project will contribute to the achievement of different Aichi Targets

<table>
<tr><th>Comments</th><th>Responses</th><th>Changes made in full project</th></tr>
<tr><td></td><td>as follows:

<table><tr><th>Aichi Targets</th><th>Activities of proposed Outer Islands project</th></tr><tr><td>Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.</td><td>The project will establish an Ecosystem-wide Zoning and Master Strategy for the Outer Islands that will establish goals, identify geographic areas and prescribe allowed activities, with regard to both conservation areas and oil and gas development, mariculture, fishing, tourism development, and other productive sector activities in the Outer Islands</td></tr><tr><td>Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.</td><td>The project has set targets for no net loss of the area (in hectares) of coral reefs, mangroves and seagrass beds at the 5 proposed protected area sites. In addition, the project will contribute to reducing habitat fragmentation by restoring native vegetation on 60 ha. at 2 proposed protected area sites.</td></tr><tr><td>Target 6: By 2020, all fish and invertebrate stocks and aquatic plants are managed and harvested sustainably, legally and applying ecosystem based approaches, so that overfishing is avoided, recovery plans and measures are in place for all depleted species, fisheries have no significant adverse impacts on threatened species and vulnerable ecosystems and the impacts of fisheries on stocks, species and ecosystems are within safe ecological limits.</td><td>The project will significantly increase the area (76,258 ha.) of marine ecosystems in the Outer Islands where fishing / harvesting activities are prohibited or restricted and where effective monitoring and enforcement is in place. It will also establish baseline information on numerous marine species, including commercial fish species, which is needed in order for the Seychelles Fishing Authority to create and implement a fisheries strategy for the Outer Islands.</td></tr><tr><td>Target 7: By 2020, areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.</td><td>As noted under Target 4, the Ecosystem-wide Zoning and Master Strategy for the Outer Islands will establish goals, identify geographic areas and prescribe allowed activities, with regard to mariculture in the Outer Islands. In addition, Land Use Plans developed for 4 of the protected area sites will include restrictions to limit any future expansion of agriculture and forestry activities at these sites.</td></tr><tr><td>Target 9: By 2020, invasive alien species and pathways are identified and prioritized, priority species are controlled or eradicated, and measures are in place to manage pathways to prevent their introduction and establishment.</td><td>The project will implement the first ever biosecurity program for the Outer Islands of the Seychelles, targeting the 5 new protected areas as well as the existing Aldabra Special Reserve, which will include activities at these sites as well as at points of departure (airports, ports) on the main islands of the Seychelles. The project also will undertake control of invasive alien species (rats) at two PA sites.</td></tr></table></td><td></td></tr>
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Comments	Responses		Changes made in full project
	Target 10: By 2015, the multiple anthropogenic pressures on coral reefs, and other vulnerable ecosystems impacted by climate change or ocean acidification are minimized, so as to maintain their integrity and functioning.	Coral reefs in the Outer Islands appear to have been impacted by climate change, including a major coral bleaching event that took place throughout the Outer Islands in 1998 (as well as subsequent smaller coral bleaching events). By establishing the boundaries of the new Protected Areas as extending for 1 km. beyond the edge of the reef flat at each site, significant areas of coral reefs will be protected from pressures associated with fishing and indiscriminate anchoring. In addition, the Ecosystem-wide Zoning and Master Strategy will designate marine shipping channels so as to reduce the potential for pollution from marine shipping activities to impact coral reefs, mangroves and seagrass beds	
	Target 11: By 2020, at least 17 per cent of terrestrial and inland water areas, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.	The project will expand the area of terrestrial ecosystems under protection by 1,397 ha. and the area of coastal / marine ecosystems by 76,258 ha. Seychelles has already designated approx. 50% of its terrestrial landscape as official protected areas; the area of coastal and marine ecosystems under protection is much smaller (in part because the EEZ of the country is so large); however, the Government of Seychelles is currently in the process of structuring a Debt for Climate Change Adaptation Swap that will designate 30% of the country's EEZ as a marine protected area.	
	Target 12: By 2020, the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.	The project will strengthen the capacities of existing and new PA sites in the Outer Islands, thereby contributing to the conservation of endemic species such as the Seychelles clown fish (*Amphiprion fuscocaudatus*), the Aldabra Giant Tortoise (*Aldabrachelys gigantea*), the Seychelles bamboo shark (*Hemiscyllium cf. ocellatum*); the Aldabra Rail (*Dryolimnas cuvieri aldabrensis*), Abbott's Sunbird (*Cinnyris sovimanga*, as well as other globally significant and endangered species including the Green sea turtle (*Chelonia mydas*) and Dugong (*Dugong dugong*), numerous coral species, and also spawning aggregations of species such as the "Endangered" Napoleon wrasse *Cheilinus undulatus*, "Vulnerable" Black-saddled Coral Grouper, *Plectropomus laevis*, and the "Near-threatened" Brown-marbled Grouper *Epinephelus fuscoguttatus*).	

Comments	Responses		Changes made in full project
	Target 15: By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.	As noted under Target 5, the project will restore native vegetation (forest) on 60 ha. at two protected area sites (these areas are currently grassland with a few coconut palms), thereby increasing carbon sequestration. In addition, the protection of seagrass beds and mangroves at 5 protected areas will provide carbon sequestration benefits.	
Comments by GEF Council Member Germany on Intersessional Work Program (for projects submitted to Feb 2012)			
Germany approves the project proposal, but would like to provide the following suggestions for improvements to be made during the drafting of the final project proposal: Bearing in mind that 1) the (future) Seychelles PA System provides a huge potential for marine and terrestrial bioprospecting, and that 2) the Seychelles ABS framework is being updated with respect to the requirements of the Nagoya Protocol, it is suggested that the full project proposal should elucidate how future access regulations to genetic resources from the PA network will look like and how potential benefits arising from ABS agreements could contribute to PA management and financing. In this context, it would be desirable to have in the full proposal a rationale embedded which explains why particular IUCN PA categories and management / governance types have been chosen and what is their particular comparative advantage? This will be instrumental for knowledge management as well as possible up-scaling options of the project approach.	The selection of specific IUCN PA categories, and corresponding national PA categories, has been made based on several factors. One factor was the official government policy, as expressed through a Cabinet Memorandum approved in April 2011, which designated the PA categories for several of the proposed PA sites in this project: South & Goëlettes Island (Farquhar) Special Reserve, Saint Françoise & Bijoutier Nature Reserve, and South Island (Poivre) Nature Reserve (these all correspond to IUCN category I). Seychelles is currently in the process of revising its national PA policy, including creating new PA categories, and the project is using the categories stated in the new draft PA policy (so that the aforementioned sites will be called "Strict Nature Reserves"), but regardless the project is abiding by the designations as stated in the official Cabinet Memorandum. These designations also correspond with the ecological / development conditions at these sites; none of these islands has any ongoing development or habitation on them, and all have globally significant ecosystems / species (particularly in the marine environment); and thus they deserve the highest level of protection possible under Seychelles policy/law. As for the sites of Desroches and Alphonse islands, these will be classified as Sustainable Use Areas (corresponding to IUCN category VI); the reason for this is that both islands already have significant human populations and infrastructure, including tourism developments, and these islands are likely to see increased development in the future (although approx. 50% of each islands will be designated as nature reserves where no development will be permitted). Finally, the decision to make the D'Arros and St. Joseph PA site a Strict Nature Reserve was made jointly by the private owners of that site and the Government of Seychelles. All of the preceding explanation applies to the terrestrial components of the PA units. For the marine components of each PA unit (extending 1 km. from the edge of the reef flat), these areas all will be designated as Sustainable Use Areas, as some forms of fishing will continue to be allowed at these sites. This will allows for effective monitoring and protection while also allowing fishermen to gain a sustainable livelihood from the marine environment (a priority for both the government and the people of the Seychelles). The use of this variety of PA categories, adopted based on the existing and planned uses for the different sites, the level of past and current threat/degradation, and the importance of the ecosystems/species found at each site, is an adaptable and sound model that can be used to select PA categories for future PA sites in the Outer Islands. With regard to how potential benefits arising from ABS agreements could contribute to PA management and financing in the Outer Islands, there is insufficient information at this time to provide any meaningful estimate	No changes

Comments	Responses	Changes made in full project
	of potential revenues from bioprospecting in the region. No such activities have taken place to date in the Outer Islands, and given their remote location and high costs of accessing the islands, the continuing threat of piracy, and the low level of information about ecosystems and species in the region, it is unlikely that bioprospecting will constitute a significant activity or potential contribution to PA management in the near to medium term. Nevertheless, the ecosystem and species assessments and monitoring that will be carried out under Output 1.1 of the project may contribute to the growth of bioprospecting in the Outer Islands over the longer term. Finally, with regard to how future access regulations to genetic resources from the PA network might look, this will be addressed during the project itself, based in large part on the final guidelines for PA categories in the Seychelles (in the pending draft National PA Policy), and the pending new Protected Areas Law for the country.	
Comments by GEF NGO network on Work Program (for projects submitted to November 2011)		
31. Items to consider at CEO endorsement/approval. 12-07-11 At CEO Endorsement please address the following: 1. Thorough description of the structure and function of the "Public-Private-Civil Society PA Partnerships Boards".	The "Public-Private-Civil Society PA Partnership Boards", as described in the PIF, are in fact a model that is already in place and operating for the management of two of the Outer Islands that will become protected areas. The model in place is that of "Island Foundations"; currently, there is a Desroches Island Foundation and an Alphonse Island Foundation. Each Foundation is managed by a Board of Trustees that does include public, private and civil society membership; specifically, the Island Conservation Society of Seychelles (civil society), tourism investors (private), the Islands Development Company (parastatal), the Ministry of Environment and Energy (public), and on Desroches island, the Desroches Home Owner's Association (private). These existing Island Foundations, along with new ones that will be established for Farquhar and Poivre, will meet twice per year to oversee all conservation programs and activities for each new Outer Island Protected Area, with technical inputs and guidance from the ICS staff on each island and the overall ICS Science Committee[4]. All four Island Foundations will be strengthened as needed (including training for Foundation trustees IDC, ICS, DOE, hotels, villa owners associations) to have the operational capacity to manage IUCN category I, II and VI PAs in the Outer Islands and to meet the requirements of the Ministry of Environment and Energy (MEE)	See e.g. description of Output 1.5 in the PRODOC on how the arrangements with Island Foundations are envisaged.

[4] Decisions on development activities on each island will not be under the purview of the Island Foundations; these decisions will be the responsibility of the Islands Development Company, which has long-term leases to manage the islands. Development decisions will be made based on the Land Use Plans established for each island and the Overall Spatial Strategy for the Outer Islands (see Component 2), as well as consultations with the Island Foundations and the ICS Science Committee.

Comments	Responses	Changes made in full project
	which oversees all protected areas in the Seychelles. In addition, the MEE will consult the Attorney General's office to determine if any adjustments need to be made to the existing Island Foundations in order for them to manage officially recognized Protected Areas. Further details on the management of the PA units are provided in the UNDP Prodoc (Section I, Part II; description of Output 1.5).	
2. Sustainability of the spatially-based decision support system and monitoring systems to be developed and deployed as a result of this project. Emphasis on partner responsibility to cover the recurrent costs associated with these systems.	With regard to the on-going costs of the spatially-based decision support system (DSS), the DSS will be housed within the Ministry of Environment and Energy (MEE) during and after the project; MEE will lead the development of the products to be contained and organized within the DSS and systematic conservation planning process. From the beginning, the scope of the DSS will be determined in part by the technical and financial capacity of the MEE to manage the system over the long-term; the DSS will be designed to be a practical tool for PA planning and management, rather than a comprehensive information system designed to encompass and guide all research and information collection and coordination for the Outer Islands. During the project, technical support will be provided to MEE staff in order to build their internal capacity to manage the DSS, including the use of GIS, information management and mapping, and Systematic Conservation Planning (SCP) tools. The Data Management Office of MEE has experience with managing environmental information, mapping and reporting systems (including several such systems developed under other UNDP-GEF projects and housed within this office. However, the Office does suffer from insufficient qualified technical staff; for this reason, the project will provide financial support for the Office to hire an additional full-time staff person with technical expertise to support the development, maintenance and updating of the DSS (as well as the systems created under other UNDP-GEF projects). Starting in the final year of the project, MEE will assume responsibility for the continuation of this full-time staff position. With regard to the on-going costs of monitoring for Outer Island ecosystems / species, these costs will be covered by the NGOs responsible for each PA site, in some cases with significant support from partners. In the case of the D'Arros & St. Joseph PA site, the Save Our Seas (SOS) Foundation is the single funding source for the activities of the D'Arros Research Centre. SOS was established by the private owner of D'Arros and St. Joseph, who has a strong interest in marine conservation, particularly of sharks. There is every reason to expect that the current level of commitment by SOS (approx. US$400,000 / year) for conservation activities at this PA site will continue over the long term. The remaining 4 PA sites will be managed by ICS, under the auspices of the Island Foundation for each site. As detailed in the UNDP Prodoc (Section I, Part II; description of Output 1.5; also in the Financial Scorecard), ICS is expected to have sufficient funds post-project to continue effective PA management, including monitoring and conservation of both the marine and terrestrial ecosystems within each PA site. The funds for this work will come from various sources: visitor/user fees associated with tourism (hotel and villa guest fees; landing fees for visiting boats); income from the Corporate Social Responsibility Tax; increased revenues for ICS core funding (from private donors, credit card and membership programs); and potential financial support from Petro Seychelles and the Seychelles Conservation and Climate Adaptation Trust (SCCAT). In addition, ICS expects that the existing support that it receives from IDC (workers for ecosystem restoration; accommodations and offices for ICS staff; free air travel for ICS staff; free shipping of	No changes

Comments	Responses	Changes made in full project
	goods/materials to the Outer Islands) and from hotels (food for ICS staff; logistical support from the hotel marine centres; staff participation in beach clean up and beach profiling; etc.) will continue after the project is completed.	
3. Detailed budget associated with the activities necessary for enforcement. This is critical considering the area to be cover, the difficulties in logistics and associated cost.	The primary costs for enforcement in the Outer Islands will be associated with patrolling the marine areas of the protected areas. PA staff at each island site will have the leading responsibility for such patrolling; on D'Arros the DRC has sufficient staff and boats/equipment for carrying out patrol activities. For the 4 PA sites managed by ICS, the ICS staff on each island (2-3 persons per island) will have their own boat for patrolling. The costs for each 19-foot boat have been estimated at US$20,300, including the boat, shipping costs, one 40hp engine and one 15hp backup engine, anchors, a shade cover, radios, and safety equipment. Maintenance of each boat is estimated at US$1,500 per year. Fuel costs for each boat are estimated at US$7,960 per year; however, IDC has agreed to provide approx. US$5,500 in fuel for each boat per year, so the costs to each protected area for fuel will only be US$2,460 per year. In addition to the patrolling activities of ICS, it is important to note that other partners will also contribute to patrolling and enforcement. The marine centers on Desroches and Alphonse islands (associated with the hotels on each island) already play an active role in reporting illegal fishing and other activities to ICS staff and relevant government agencies; the fact that each of these marine centers typically have 2 or 3 boats out at sea every day visiting dive and fly fishing sites makes them a significant resources for carrying out monitoring of activities in the marine environment. In addition, the Seychelles Fishing Authority (SFA) has established a Vessel Monitoring System (VMS) through which it is monitoring the activities of all small artisanal, semi-industrial and larger industrial / commercial boats fishing under the Seychelles flag (currently approximately 500 boats have VMS transponders; all boats fishing in the Outer Islands required to have transponders). The VMS allows SFA to track in real time the movements of vessels in the EEZ, and SFA actively monitors the movements of any vessels that come near to any of the Outer Islands. For example, when a semi-industrial vessel is detected inside the zones around each island (approx. 30 nautical miles) that are reserved for artisanal fishing, the boat is notified and told to exit the zone. If the boat remains in the zone, SFA will track their movement patterns to determine if they appear to be fishing, once the boat is back in port, SFA will board the boat and examine the contents of the hold. The Seychelles Coast Guard also undertakes aerial patrols to detect illegal fishing activities. The Coast Guard takes aerial photographs and compares the results with those shown on the VMS system; if there is a large boat in the area that is not shown on the VMS it is more than likely an illegal fishing boat. Finally, SFA has established an incentive scheme whereby fishing vessels are given a reward of SR10,000 (approx. US$800) if they report a boat that appears to be fishing illegally and the information turns out to be correct (when the Coast Guard receives such notifications, it transports fisheries inspection officers to the boat to inspect the catch).	See description of Output 2.1

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FU

A. DETAILED FUNDING AMOUNT OF PPG ACTIVITIES AND FINANCING STATUS

PPG Grant Approved at PIF:

Project Preparation Activities Implemented	*GEF/LDCF/SCCF/NPIF Amount ($)*		
	Budgeted Amount	*Amount Spent To date*	*Amount Committed*
1. Project scope and strategy defined, and GEF full proposal documentation prepared and approved	87,046.00	62,868.41	24,17
Total (PPG)	87,046.00	62,868.41	24,17

DSS Funds	4,066.00	11,050.00	
Total (UNDP)	4,046.00	11,050.00	
Grand Total	91,092.00	73,918.41	24,17

If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continu undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies sho report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (IF NON-GRANT INSTRUMENT IS USED)

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