GEF

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April 3, 2008

Dear Council Member,

The World Bank as the Implementing Agency for the project entitled ***Regional (Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka): Bay of Bengal Large Marine Ecosystem*** has submitted the attached proposed project document for CEO endorsement prior to final Agency approval of the project document in accordance with the World Bank procedures.

The Secretariat has reviewed the project document. It is consistent with the project concept approved by the Council in April 2005 and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by the World Bank satisfactorily details how Council's comments and those of the STAP have been addressed.

If by May 1, 2008, I have not received requests from at least four Council Members to have the proposed project reviewed at a Council meeting because in the Member's view the project is not consistent with the Instrument or GEF policies and procedures, I will complete the Secretariat's assessment with a view to endorsing the proposed project document.

We have today posted the proposed project document on the GEF website at www.TheGEF.org. If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

Monique Barbut
Chief Executive Officer and Chairperson

Attachment: Project Document

cc: Alternates, GEF Agencies, STAP, Trustee

REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project
THE GEF TRUST FUND

Submission Date: 11 February 2008
Re-submission Date:

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 1252
GEF AGENCY PROJECT ID: 594089
COUNTRY(IES): Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka and Thailand
PROJECT TITLE: ***BAY OF BENGAL LARGE MARINE ECOSYSTEM PROJECT***
GEF AGENCY(IES): FAO
OTHER EXECUTING PARTNER(S): Bangladesh Fisheries Research Institute; India Dept. of Animal Husbandry and Dairying (Fisheries Unit); Indonesia Directorate General of Capture Fisheries; Maldives Marine Research Center; Malaysia Marine Research Centre; Myanmar Department of Fisheries; Sri Lanka National Aquatic Resources Research & Development Agency; Thailand Department of Fisheries
GEF FOCAL AREA(S): International Waters
GEF-4 STRATEGIC PROGRAM(S): ***SP#2 Expand Global Coverage of IW Foundation Capacity Building;*** *GEF-4 IW Strategic Objective 1 (To foster international, multi-state cooperation on priority transboundary water concerns through more comprehensive, ecosystem-based approaches to management) and GEF4 IW Strategic Program 1 - Restoring and sustaining coastal and marine fish stocks and associated biological diversity*
NAME OF PARENT PROGRAM/UMBRELLA PROJECT:

Expected Calendar	
Milestones	**Dates**
Work Program (for FSP)	February 2005
GEF Agency Approval	April 2008
Implementation Start	May 2008
Mid-term Review (if planned)	June 2010
Implementation Completion	April 2013

A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective: The **development objective** of the BOBLME Project (PDO) is to support the development of a Strategic Action Programme (SAP) whose implementation will lead to enhanced food security and reduced poverty for coastal communities in the BOB region.

Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	GEF Financing*		Co-financing*		Total ($)
				($)	%	($)	%	
1. Strategic Action Programme	TA	Strategic Action Programme (SAP)	Transboundary Diagnostic Analysis; Institutional Arrangements; BOBLME Sustainable financing strategy and recommednations ; SAP	2,733,236	50.2	2,708,264	49.8	5,441,500

2. Coastal/Marine Natural Resources Management and Sustainable Use	TA	Community-based Integrated Coastal Management; Improved Policy Harmonization; Collaborative Regional Fishery Assessments and Managements Plans	Current overview and lessons learned of community-based integrated coastale management projects and activities with accompanying specific policy recommendations;improved policy environment and capacity to formulate policies suppiortive of community-based ICM; establishment of fisheries-based legislation and policy data portal; improved management of selected transboundary fish stocks; a regionally harmonized fishery data base.	5,156,782	35.7	9,304,718	64.3	14,461,500
3. Improved Understanding and Predictability of the BOBLME Environment	TA	Improved Understanding of Large-Scale Processes and Dynamics affecting the BOBLME; Marine Protected Areas in the Conservation of Regional Fish Stocks; Improved Regional Collaboration	Updated existing knowledge of large-scale processes and identification of critical data gaps; action plan outlining studies required to address critical data gaps; increased understanding of the role and subsequent establishment of enabling conditions; increase coordination and collaborations with other regional and global programmes leading to improved understanding of BOBLME.	2,314,742	34.9	4,309,308	65.1	6,624,050
4. Maintenance of Ecosystem Health and Management of Pollution	TA	Establishment of an agreed to Ecosystem Indicator Framework; Coastal Pollution Loading and Water Quality Criteria	Agreed national and regional ecosystem frameworks; a strategy and action plan for the implementation of a regional pollution monitoring and management programme.	1,017,216	75.9	322,584	24.1	1,339,800
5. Project Management, Monitoring and Evaluation and Knowledge Management				860,124	27.5	2,266,526	72.5	3,126,650
Total Project Costs				12,082,100		18,911.400		30,993,500

* List the $ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.
** TA = Technical Assistance; STA = Scientific & technical analysis.

B. FINANCING PLAN SUMMARY FOR THE PROJECT ($)	***Project Preparation****	***Project***	***Agency Fee***	***Total at CEO Endorsement***	***For the record: Total at PIF***
GEF		12,082,100		12,082,100,	
Co-financing		18,911,400		18,911,400	
Total		30,993,500		30,993,500	

* **A PDF-B AND SUPPLEMENTAL PDF-B GRANT, WITH A TOTAL BUDGET OF US$699 800, WERE APPROVED EARLIER.**.

C. SOURCES OF CONFIRMED CO-FINANCING, including co-financing for project preparation for both the PDFs and PPG. (expand the table line items as necessary)

Name of co-financier (source)	*Classification*	*Type*	*Amount ($)*	*%**
Norway	Donor Government	Grant	1,200,000	6.4
Sida	Donor Government	Grant	1,288,900	6.8
Sida	Donor Government	Other	9,522,500	50.4
NOAA	Donor Agency	In kind	400,000	2.1
BOBLME Governments	Recipients	Cash	2,200,000	11.6
BOBLME Governments	Recipients	In kind	3,500,000	18.5
FAO	GEF Agency/Executing Agency	In kind	800,000	4.2
PDF-B Co-financing	Donor Governments, Recipients, FAO, Other	Cash and in kind	1,200,687	
Total Co-financing			20,1126,087	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY(IES) OR COUNTRY(IES)

GEF Agency	*Focal Area*	*Country Name/ Global*	*(in $)*			
			Project Preparation	*Project*	*Agency Fee*	*Total*
FAO	International Waters	Regional		12,082,100		
World Bank (select)	International Waters	Regional	699,800			
(select)	(select)					
(select)	(select)					
(select)	(select)					
(select)	(select)					
Total GEF Resources						

* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PROJECT MANAGEMENT BUDGET/COST

Cost Items	*Total Estimated person weeks*	*GEF ($)*	*Other sources ($)*	*Project total ($)*
*International Staff**	528	338,606	637,710	976,316
Local consultants	284	150,000	786,114	936,114
*International consultants**	18	94,800	5,000	99,800
Training		1,350	0	1,350
*Office facilities, equipment, vehicles and communications***		33,342	633,200	666,542
General Operating Costs		179,845	139,783	319,628
*Travel***		62,181	64,719	126,900
Total	**830**	**860,124**	**2,266,526**	**3,126,650**

* Provide detailed information regarding the consultants in Annex C.
** Provide detailed information and justification for these line items.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	*Estimated person weeks*	*GEF($)*	*Other sources ($)*	*Project total ($)*
*Local consultants**	1,414	965,010	478,000	1,443,010
*International consultants**	589.6	1,751,566	851,026	2,602,592
Total	2,000	2,716,576	1,329,026	4,045,602

* Provide detailed information regarding the consultants in Annex C.

G. DESCRIBE THE BUDGETED M&E PLAN:

Project progress will be monitored largely through the recording and verification of inputs, including financial disbursements and technical levels-of-effort. Financial inputs (disbursements) would be largely drawn from the Executing Agency financial management system, while technical inputs would be drawn from reports from National Coordinators and regional sub-contractors. The monitoring system would specifically compare financial disbursements to technical activities programmed in the ARWP and identify and assess any significant discrepancies between the two.

The monitoring of activity outcomes will constitute the second major output of the monitoring system. In some cases outcomes will be identifiable through evidence of training sessions, workshops or other activities. In others, the independent scientific review panels will provide confirmation of satisfactory results from studies etc. In some instances, it is anticipated there will be a need for physical inspection and/or surveying of activity sites and participants in order to confirm appropriate outcomes and assess their congruence with ARWP objectives. This latter task would often be undertaken by the relevant National Coordinator, or the RCU M&I specialist (the latter particularly for regional activities), but may sometimes require the use of external consultants, and provision is made in the budget for their recruitment. A new post-tsunami baseline will be developed in PY 1 and the impact indicators further refined as necessary. A number of initiatives to assess environmental consequences of the tsunami have taken place over the past two years, and information produced will be utilized by BOBLME in developing a new environmental baseline. It is understood that any activity supported under the BOBLME would coordinate and cooperate with the relevant agencies to ensure complementarities and avoid overlap.

An independent mid-term evaluation and final evaluation will be conducted during the life of the project. Details of the M&E plan can be found in Annex 9 and Annex 3 (Results Framework) of the Project Document. A costed M&E plan follows below.

Monitoring and Evaluation Plan and Budget

Type of M&E activity	**Responsible Parties**	**Budget US$ Excluding project team Staff time**	**Time frame**
Inception Workshop	Regional Coordinator FAO (LTU, BH, TCAP GEF Unit) FAO country office	60,000	Within first two months of project start up
Inception Report	Regional Coordinator FAO	None (there is always a cost, but it may not be an additional cost)	Immediately following Inception Workshop
Revision of environmental baseline post-tsunami	Regional Coordinator, in consultation with FAO LTU and BH, will oversee the hiring of specific studies and institutions,	500,000 (includes development of indicators under component D.1)	To be finalized and agreed by end of Project Year 1 and updated throughout project, as necessary

Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis) + workshop for dissemination	Oversight by Regional Coordinator and CTA, responsibility of Project M&E staff and National Coordinator, with assistance from FAO LTU and other technical divisions; Measurements by regional field officers and national/local executing agencies. Regional Coordinator, in consultation with FAO to provide general framework. National Coordinators will organize national workshops and assign/contract institutions/other team members to assess project impact.	125,000 To be determined as part of the Annual Work Plan's preparation.	Annually prior to APR/PIR and to the definition of annual work plans
Project Progress Reports, Annual Project Implementation Review (PIR)	Project Team FAO FAO GEF Unit Project Steering Committee National Coordinators	None	Semi-Annually (PPR) Annually (PIR)
TPR and TPR report	Government Counterparts Project team FAO LTU, BH and GEF Unit, LTU, BH Project Steering Committee National Coordinators	None	Every year, upon receipt of PIR
Project Steering Committee Meetings	Project Steering Committee members; Regional Coordinator, National Coordinators; FAO, participating countries, FAO and World Bank country offices (if in one of the participating countries)	90,000	Following Project Inception Workshop and subsequently at least once a year. To be linked with major regional workshops/events
Technical reports	Project team FAO (LTU, BH, Project Task Force) Hired consultants as needed	50,000	To be determined by Project Team, PSC, FAO
Independent Mid-term External Evaluation	FAO – PBEE (Evaluation Service) Project team Participating countries FAO (LTU, BH, GEF Unit, TCOM) FAO country offices Independent external consultants (i.e. evaluation team)	50,000	At the mid-point of project implementation.
Final External Evaluation	FAO – PBEE (Evaluation Service) Project team Participating countries FAO (LTU, BH, GEF Unit, TCOM) FAO country offices Independent external consultants (i.e. evaluation team)	90,000	At the end of project implementation
Terminal Report	Project team FAO	10,000	At least one month before the end of the project
Lessons learned	Project team FAO (particularly the LTU) FAO GEF Unit	15,000 (average 3,000 per year) or 75,000 over the life of the project	Yearly
Visits to field sites	FAO (LTU, BH, country office) Government representatives Project staff	An integral part of project activities, not a separate cost	As required
TOTAL indicative COST ***Excluding project team staff time and FAO staff and travel expenses***		**1,050,000**	

PART II: PROJECT JUSTIFICATION

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE GLOBAL ENVIRONMENTAL BENEFITS:

About one-quarter of the world's population reside in the littoral countries of the BOB of which some 400 million live in the Bay's catchment area alone, many subsisting at or below the poverty level. An average of 65 percent of the region's urban population live in large coastal cities and migration towards the coastal regions appears to be on the increase.

The BOB supports numerous coastal fisheries, many of which are of significant socio-economic importance to the countries bordering the water body; an estimated two million fishers who operate primarily in coastal and inshore waters are directly employed in the sector. Included amongst these fisheries are coastal demersal, shrimp and small pelagic fisheries, as well as offshore fisheries for tuna and similar species.

A key issue facing the region's coastal fishing communities is the unsustainable harvesting of certain species, a result of the open access nature of the resource. Many of the fishery resources in the region are already heavily exploited and if fishing is allowed to continue unregulated, the situation will likely worsen with significant adverse impacts on the large number of small-scale fishers dependent on these resources for their livelihoods and as a source of food security. The socio-economic implications of non-sustainable exploitation of fish stocks is exacerbated further by the illegal incursion of foreign fleets, increased competition and conflicts between artisanal and large-scale fisherman, encroachment by nationals into the territorial waters of neighboring countries, and an alarming increase in cyanide fishing and other non-sustainable fishing practices.

A second key issue is the continued degradation of highly productive coastal and near-shore marine habitats such as coral reefs, mangroves and estuaries, and marine grass beds, all critical fish spawning and nursery areas. Immediate causes include land conversion and reclamation, direct overexploitation, accelerated sedimentation, and destructive tourism and fishing practices. Sea-based sources of pollution include oil pollution and offshore oil and gas exploration. There are also the potential adverse impacts related to the future development of seabed minerals.

Finally and closely related to the two issues described above, are the accumulative effects associated with land-based sources of pollution that are contributing to the disruption of basic processes and functioning of the marine ecosystem. These include degradation and loss of fish spawning and nursery areas, fish kills and possible changes in the LME's trophic structure. The fate and effect of pollutants has not been studied extensively but there is a growing body of evidence to support the conclusion that most are deposited as estuarine sediments, while a smaller portion is flushed out to deeper waters. It is argued by some that the ecosystem's assimilative capacity on the whole has not been exceeded and that pollution problems are localized in nature. There remain however, many uncertainties about the Bay's status and ecological functioning, much of it attributable to the lack of comprehensive, reliable data.

In addition to these long-standing and pervasive issues, the region is strongly influenced by monsoons, storm surges, cyclones and other natural disasters, such as the recent tsunami, that affect coastal populations. As a result of the tsunami, in addition to the massive human tragedy and the subsequent need to rebuild and restore communities' wellbeing, given the socio-economic importance of many of the region's coastal and near-shore marine habitats (coastal lagoons, mangroves, and coral reefs) as sources of livelihood to some of the most heavily impacted sectors of society (namely, poor, rural coastal communities), there is also a need to assess the status of these habitats and ascertain the implications to the future livelihoods of affected populations.

Major root causes underlying these issues include population growth and changing demographics, unabated pressure on the primary sector to feed exports due to continued demand for increased foreign exchange, a

growing and diversifying industrial sector, and the undervaluing of the natural resources and the environmental "goods and services" provided by the coastal and near-shore marine ecosystems.

One of several major barriers to resolving these issues is the lack of regional institutional arrangements to facilitate a coordinated approach among the BOBLME countries to address the previously identified issues. A second critical barrier is the weak and/or inappropriate policies, strategies and legal measures that characterize much of the region. Where these do exist, they are rarely enforced. Other major constraints include lack of alternative livelihoods, weak institutional capacity, insufficient budgetary commitments, and lack of community stakeholder consultation and empowerment.

The BOBLME countries are well aware of these issues, underlying causal factors and barriers to their resolution. In response they have demonstrated significant levels of commitment to address many of the aforementioned problems, both in terms of national actions as well as their participation in a number of conventions and other legal instruments which address one or more of the aforementioned problems (see Annex 1 of the Project Document). The substantial national participation among the eight BOBLME countries during the project preparation process indicates that this commitment remains strong.

A number of international, regional and sub-regional institutions and programmes are operating in the Bay (Annex 1 of the Project Document). Despite their large number, none appear to have the mandate, geographical scope and/or capacity to support an initiative based on an LME approach, particularly one that addresses the shared and common issues and barriers characteristic of the BOB. However, it is equally clear that the proposed BOBLME Programme cannot resolve the aforementioned issues in isolation. Rather it must build on past experience and existing institutions and activities in the region, particularly the exchange of data and information related to coastal and marine environment and fisheries issues, to achieve any significant lasting impact.

The Global Environment Facility (GEF) is in a unique position to build on and strengthen existing programmes and partnerships in the region through promoting the development of a transboundary perspective and approach to addressing critical issues characteristic of the BOBLME.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:

The BOBLME countries are well aware of the issues described above, causal factors and barriers to their resolution and in response have demonstrated significant levels of commitment to address many of them. Of the many relevant regional and international instruments related to Agenda 21, the eight BOBLME countries have demonstrated a high degree of participation ***(Table 1 below)***. The substantial national participation among the eight BOBLME countries during the project preparation process indicates that this commitment remains strong (see below).

This BOBLME Programme will assist countries to meet WSSD 2002 Plan of Implementation targets, including:

- the development and implementation of national and regional Plans of Action to put into effect the International Plans of Action (IPOAs) on Illegal, Unreported and Unregulated Fishing by 2004 and on fishing capacity by 2005 (#30d);
- the application of the ecosystem approach by 2010 (#29d);
- the restoration of depleted stocks by 2015 (#30a);
- the establishment of "representative networks" of marine protected areas by 2012 (#31c); and
- strengthening of regional cooperation and coordination, particularly among regional bodies (#29f).

The overall objective of the Project is to promote an ecosystem approach to managing the Bay of Bengal resources on a sustainable basis. This would be accomplished through the development and implementation of a Strategic Action Programme whose implementation would lead to enhanced food security and reduced poverty for coastal communities in the BOB region. In addition, the countries' priority concerns, as identified and reconfirmed at every regional meeting, is the overexploitation of living marine resources (particularly IUU) and the destruction of critical habitats, and the need to manage them on a sustainable basis. Components 2 and 3 have therefore been designed with a view to addressing these priority concerns, creating an enabling policy environment, and promoting, *inter alia*, the development of regional fishery management plans and collaborative management of critical habitats (fish refugia, marine protected areas).

The proposed BOBLME Programme furthermore addresses the Millennium Development Goals (MDGs) related to eradication of extreme poverty (#1a), eradication of extreme hunger (#1b), and ensuring environmental sustainability (#7), including integrating the principle of sustainable development into country policies and programmes and reversing the loss of environmental resources.

Table 1. Selected Relevant BOBLME Conventions and Agreements

	Conventions							
Legal Instrument	**Bangladesh**	**India**	**Indonesia**	**Malaysia**	**Maldives**	**Myanmar**	**Sri Lanka**	**Thailand**
Convention on Biological Diversity	R (08/96)	R (02/94)	R (08/94)	R (06/96)	R (11/92)	R (11/94)	R (03/94)	R (01/04)
	Selected Mandate/Agreements							
UN Fish Stocks Agreement		08/03			09/00			
Jakarta Mandate on Marine and Coastal Biological Diversity	R	R	R	R	R	R	R	R
UNEPs Regional Seas Agreements/ Programme	A South Asian (1995)	A South Asian (1995)	A East Asian (1981)	A East Asian (1981)	A South Asian (1995)		A South Asian (1995)	A East Asian (1981)
Declaration and Global Programme of Action on Protection of the Marine Environment from Land-Based Activities	P	P	P	P	P		P	P
Committee of Fisheries (COFI)	M	M	M	M	M	M	M	M

Key: R (ratified); P (participant); A (adopted); M (member)

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMMES:

The BOBLME project objectives and outcomes are fully consistent with relevant provisions in the GEF Operational Strategy, and specifically with the Waterbody-Based Operational Program (OP#8). With respect to OP#8, the Project will: (i) serve as a catalyst in the implementation of a more comprehensive, ecosystem-based approach to managing international waters as a means to achieve global benefits associated with countries obtaining a better understanding of the BOBLME environmental issues and working collaboratively to address same; (ii) build capacity in existing institutions (or if appropriate, develop capacity through the

establishment of new institutional arrangements); and (iii) implement measures that address priority transboundary environmental concerns.

Moreover, the Project addresses IW Strategic Priority (SP 2) identified in the GEF Fiscal Year (FY) 04-06 Strategic Business Plan (BP). SP 2 cites the need to expand global coverage of foundation capacity building designed to address the aforementioned programme gaps.

Finally, the project is fully in support of GEF-4 IW priorities as identified in GEF's Focal Area Strategies and Strategic Programming for GEF-4. In particular, the project addresses GEF IW Strategic Objective 1 (To foster international, multi-state cooperation on priority transboundary water concerns through more comprehensive, ecosystem-based approaches to management) and GEF4 IW Strategic Program 1 - Restoring and sustaining coastal and marine fish stocks and associated biological diversity.

Specifically, for the fisheries sector GEF-4 will support: (i) policy, legal, and institutional reforms for meeting WSSD targets for sustainable fisheries; (ii) investments in alternative livelihoods to reduce stress on fisheries; (iii) ecosystem approaches to sustainable fisheries management and habitat restoration and conservation (including marine protected areas); (iv) technical assistance in developing sustainable distant fishing fleet agreements; and (v) engagement of the business community in solutions.

Under degradation of coastal resources and processes, GEF-4 will support among other priorities, actions directed as reduction of land-based pollution of coasts and demonstrations of integrated coastal management.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The Project has a specific subcomponent dedicated to establishing effective partnerships with other regional and global environmental assessment and monitoring programmes that would serve to achieve a better understanding of the status and processes characteristic of the BOBLME. To achieve these objectives, the subcomponent could support participation in relevant activities and processes associated with one or more of the following programmes: (i) Mangroves For the Future initiative (MFF) will see coordination on a number of areas such as the development of MPA's, indicators for ecosystem health and integrated coastal management; (ii) the Global International Waters Assessment (GIWA) of transboundary region # 55, once follow-up activities are determined; (iii) coastal module activities (e.g., sustainable fisheries and marine biodiversity) associated with the Indian Ocean Global Ocean Observing System (IOGOOS); (iv) Global Coral Reef Monitoring Network (GCRMN); (v) strategies and measures supported under the regional implementation of the Global Plan of Action (GPA) in South Asian Seas; (vi) UNEP's East and South Asian Seas Programmes; (vii) the South Asia Co-operative Environment Programme (SACEP); and (viii) the project would also co-ordinate closely with other relevant GEF-supported regional (e.g., the currently active Andaman Sea and Gulf of Mannar initiatives) and global (e.g., IW:LEARN) projects.

E. DESCRIBE THE INCREMENTAL REASONING OF THE PROJECT:

Activities under the Baseline Scenario will produce predominantly national benefits and contribute only in a limited way to the achievement of global benefits due to the many constraints that limit the effectiveness of national actions impact on regional issues. Specific benefits include: (i) sustainable management of transboundary fish stocks (within national waters) and critical habitats, (ii) data collection efforts providing limited usefulness to understanding larger scale-processes characteristic of the BOBLME, (iii) creation and management of national marine protected areas and fish refugia, (iv) nation-based monitoring of water quality in coastal waters, and (v) participation in sub-regional groupings of countries formed to address ad hoc priority issues dependent on national policies and funding.

In terms of a post-tsunami needs assessment, the major needs that are likely to be assessed include: (i) financial impacts and needs; (ii) social impacts and needs (especially institutions such as government services, village association, networks etc); (iii) impacts on human capitals (skills, knowledge and abilities) and needs; and (iv) physical impacts (basic infrastructure and goods) and needs.

In view of the need for regional institutional arrangements, collaborative approaches, an agreed on Strategic Action Programme (SAP) and long-term financial sustainability to address priority issues and barriers characteristic of the BOBLME, the Baseline Scenario is unlikely to contribute significantly to achieving any global benefits. In recognition of these limitations, the Governments of the BOBLME have requested assistance from the GEF to formulate and implement an Alternative Scenario that will support the achievement of incremental benefits related to the aforementioned programmes that comprise the Baseline Scenario. Moreover, in light of the likely affect the tsunami has had on critical coastal and nearshore marine critical habitats a new environmental baseline will need to be established., an *a priori* requirement needed to ascertain if the BOBLME Programme will achieve progress in contributing to a healthy BOBLME as determined through environmental status indicators.

The GEF Alternative will support the achievement of the Project Development Objective and Global Environment Objective through strategic actions addressing key threats and barriers characteristic of the BOBLME. Financing the incremental costs associated with these actions would build on the baseline scenario by promoting a regional approach which will result in: (i) Transboundary Diagnostic Analysis (TDA); (ii) a new environmental baseline composed of a post-tsunami critical coastal/marine habitat assessment; (iii) an agreed to Strategic Action Programme identifying critical priorities of regional/global importance to address in the next phase of the BOBLME Programme; (iv) regional institutional arrangements established to facilitate a collaborative approach to issues of regional/global concern in the BOBLME; (v) reduced pressure on selected transboundary fish stocks and critical habitat of global importance; (vi) improved understanding of the large-scale processes characteristic of the BOBLME leading to more informed national and regional efforts to address critical transboundary issues; (vii) improved management of transboundary fish stocks through more informed use and regional coordination in establishment of fish refugia; (viii) conservation of biodiversity of regional/global importance achieved through regional collaboration in establishing a system of marine protected areas and fish refugia; (ix) establishment of a common set of environmental health indicators and collation of baseline and assessment data that will provide a regional basis for assessing and monitoring status of BOBLME; (x) a pilot water quality monitoring programme designed to (a) develop experience in adopting a regional approach, and (b) identify regional "hotspots" to be addressed in subsequent BOBLME Programme phases; and (xi) a sustainable source of funding to implement priority actions; and (x) improved IW project design through the exchange of "lessons learned" and other relevant experiences with other LME programmes.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:

While the proposed project is expected to have an overall positive impact on regional collaboration and environmental management, there are some risks associated with its implementation. These risks would likely be associated with the complexity of issues addressed by the Project, the associated political risks, potential uneven commitments and performance of participating countries and potential inadequate support for the implementation of the Strategic Action Programme. It is felt however, that most potential risks can be identified and addressed early before beginning to affect implementation. The chances of early detection of potential issues are significantly increased due to FAO's long and deep experience in working in the BOB region. Most recently, this includes the Organization's role in the execution of the Bay of Bengal Programme (BOBP), a regional fisheries programme which became operational in 1979. In its first two phases

(1979 – 1994), BOBP aimed to improve the socio-economic conditions of the small-scale fisherfolk in the member countries through the development and promotion of new and innovative techniques and technologies. These were followed by a third phase (1994 – 1999) which was designed to more directly address the serious management problems facing the Bay's fisheries, described previously. More generally, FAO will draw on its wide range of in-house expertise in the area of marine and coastal resources management located both in Headquarters and in Organization's Regional Office for Asia and the Pacific, coordinated through the Project Task Force, to screen for potential issues during the implementation phase (see ***Annex 6*** of the Project Document for more detail).

More specifically, potential risks that may affect project success and their respective mitigation measures incorporated into project design are:

Climate Change

The Bay of Bengal is strongly affected by monsoons, storm surges, cyclones and other natural disasters, such as the tsunami that devastated the region in December 2004. In recent years, the frequency of cyclones appears to be increasing, and it is predicted that this trend will continue with changes in the global climate. Bangladesh and the Maldives are particularly susceptible to the effects of sea-level rise. According to some predictions (Myers, 1994), seven percent of Bangladesh could permanently disappear, and a much larger area could be affected by associated phenomena such as storm surges capable of reaching as much as 160 kilometers or more inland, or two-fifths of the distance from the coast to the country's northern border. Global warming could also cause the monsoons to be more powerful and increase inland flooding.

In light of the number of current activities and the rapidly changing situation in the tsunami-affected areas, flexibility has been built into the project so as to allow further definition of BOBLME-supported activities. An operational BOBLME would also provide the framework for an ecosystem approach and sustainable fisheries management, in a changing environment, one in which many donors that are providing emergency and rehabilitation relief are interested in collaborating. It would also provide a forum for consultation among the countries on the range of issues that they could be facing in the medium to long term.

Lack of sustained institutional and financial commitment from one or more of the BOBLME countries to support Project operations.

The project has placed significant emphasis on the analysis and development of financial sustainability mechanisms to support both the likely permanent institutional arrangements agreed to in future phases of the BOBLME Programme as well at the field level during the 1st phase Project implementation. "Lesson-learned" on a pilot basis from the project will be incorporated into the design of relevant activities during the SAP preparation process.

Existing political commitments to SAARC and ASEAN respectively, impede BOBLME countries from achieving Project outcomes.

The BOBLME Project is expected to establish close collaborative relationships with the appropriate working groups of these two regional Associations and act as a bridge in sharing of information and coordinating activities where possible.

Failure to reach consensus on a sufficiently strong institutional solution capable of ensuring long-term success of the BOBLME Programme.

The Project has developed a significant subcomponent based on assessment and the promotion of consultation and policy dialogue with all BOBLME countries over a three year period to ensure that all sides are heard and to provide the opportunity to reach a common position.

Sustained political and public commitment

Addressing issues at the scale of the LME is a long-term proposition, one that may take decades before improvements in the environment are capable of being measured. To sustain efforts over the period required to observe these improvements requires a substantial commitment in terms of time and long-term provision of financial and human resources. This commitment is needed both on the part of the countries as well as the participating development partners. Decision-makers and communities alike need to be kept aware and sensitized to the objectives and long-term commitments required to achieve this outcome. It is particularly important to avoid the risk of rising expectations for observable improvements in the near to medium term that cannot be met readily at the scale characteristic of the LME. It is only with broad public support that a long-term Programme, such as the BOBLME, will be able to resist the pressures and possible adverse effects associated with transitory political processes and changing priorities. Project design has attempted to address this issue through the development of a wide and deep network of institutional arrangements, promotion of collaborative activities with other regional bodies, and public awareness and information dissemination activities.

Financial sustainability

Regional projects often have high overhead costs given the inherent complexity of their tasks. Well-designed cost recovery mechanisms with strong enforcement can help to ensure financial sustainability. A financial sustainability subcomponent has been incorporated into the project that will be implemented in parallel and coordinated with the preparation of the SAP to ensure that cost recovery mechanisms will be developed as activities are identified for inclusion in the latter to ensure long-term sustainability.

Most potential risks can be identified and addressed early before beginning to affect implementation. The role of FAO, as the project's implementing and executing agency, will likely contribute to increased chances of early detection of potential issues due to the Organization's long and deep experience of working in the BOB region. More specifically, the project design has incorporated several elements to mitigate these potential risks.

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

As described above, for purposes of the proposed Programme, the Bay of Bengal Large Marine Ecosystem (BOBLME) has been defined as comprising the coastal watersheds, islands, reefs, continental shelves and coastal and marine waters of the Maldives, Sri Lanka, the east coast of India, Bangladesh, Myanmar, the west coast of Thailand, the west coast of Peninsular Malaysia, and the Indonesian provinces of Aceh, Riau, and North and West Sumatra; a body of water measuring approximately 3.3 million km^2 in area that shares a distinct bathymetry, hydrography, productivity, and tropically dependent populations.

The Programme's stated global environmental objective (GEO) is to formulate an agreed on Strategic Action Programme (SAP) whose implementation over time will lead to an environmentally healthy BOBLME.

During project preparation, a number a number of alternatives were examined to identify the most cost-effective approach to address environmental issues characteristic of a water body the size and complexity of the BOBLME. This consisted of assessing options associated with two separate, but related issues: (i) the

overall scope of and approach to the development of the SAP; and (ii) the institutional arrangements required for its preparation and eventual implementation.

With respect to the former, the alternative that was considered was a process that would lead to a more comprehensive waterbody-based programme that would concentrate on a wide range of transboundary problems (e.g., oil spill planning, legal and institutional reviews, pollution control measures, implementation of regional/global agreements and harmonization of legislation). In the BOB, this would entail achieving a high degree of regional co-operation with a large number of government agencies, many which would likely be directly involved in project implementation. In light of the size and complexity of the BOB and lessons learned from other GEF-supported LMEs, it was decided that a more focused approach, one based initially on the fishery sector and the environmental threats to fisheries resources, was the preferred option in the Programme's 1st phase. This in turn, could be built on over time and expanded gradually to encompass other sectors as opportunities for collaboration were identified. This approach had the added advantage of building on existing contacts amongst fisheries institutions and the collaboration engendered through the earlier BOBP. Achieving success initially in one sector to support gradual expansion to other sectors affecting the environmental health was felt to be clearly more cost effective than attempting to address all issues at the same time with the attendant risk of diluting scarce resources and achieving nothing at the end of the Programme's first five-year phase.

The third option was rejected due to the large number of countries (and much greater number of possible candidate institutions involved) and the recognition that the major focus during the initial phase of the BOBLME project should be placed on building the needed common vision, process, and SAP. All institutional alternatives will be re-examined during the institutional analysis which is supported under the Project.

During the evaluation of institutional alternatives, it became equally clear that the proposed BOBLME Programme cannot resolve the aforementioned issues in isolation. Rather it must build on past experience and existing institutions and activities in the region to achieve any significant lasting impact. As a result, project design recognizes the need to establish collaborative linkages with other projects and programmes in the BOB area; e.g., a subcomponent has been included in the first phase project to facilitate the formalizing of future shared commitments (subcomponent 3.3). By supporting a coordinated approach to the management of the resources of the LME, one that maximizes input and value to management applications and policy development in the region, the proposed approach is not only the most cost-effective option but arguably the only option that can achieve the Programme's stated objective

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. PROJECT IMPLEMENTATION ARRANGEMENT:

The FAO's Fisheries Department will serve as the Organization's Lead Technical Unit (LTU) to coordinate the implementation of the Project. The Regional Operations Branch in FAO's Regional Office for Asia and the Pacific will be designated as the Budget Holder (BH). The LTU will maintain primary accountability for the timeliness and quality of technical services rendered for project execution. The BH will be responsible for administrative functions, and in this capacity will authorize the disbursement of funds. Together, they would be responsible, *inter alia*, for facilitating the coordination of project activities, including the identification and recruitment of international and national project staff, facilitate the establishment of the Project Steering Committee (PSC), developing sub-contracts with the participating countries and other partners, all in close consultation with the participating countries and once established, the PSC. A Regional Coordinator (RC) will

be selected and each country will designate a National Coordinator (NC). The RC will facilitate the day-to-day implementation of the project in close consultation with the NCs and PSC members.

The World Bank will bring its extensive international experience and knowledge on coastal and marine issues and assist client countries to benefit from experiences and lessons of similar projects around the world. It will provide policy support and the sharing of "lessons-learned." In the implementation of the national, sub-regional and regional projects, the Bank, through its country offices will provide help seek assistance for specific investment opportunities at country level that may evolve during the implementation of the BOBLME. Like FAO, the World Bank will serve as an ex-officio member of the Project Steering Committee and in National Task Force meetings in countries where there are WB representations.

As a result of the recognized need to establish collaborative linkages with other projects and programmes in the BOB area, a subcomponent has been included in the 1st phase project to facilitate the formalizing of future shared commitments (subcomponent 3.3). The significance of this Programme is that it would provide a coordinated approach to the management of the resources of the LME, so as to maximize input and value to management applications and policy development.

Due to its multi-country scope, the BOBLME project encompasses both regional and national components, and encompasses a wide range of technical fields, including fisheries and other living marine resources, critical habitats, pollution and socio-economic issues, all of which will require technically competent oversight. Furthermore, as a preparatory project focused upon building trust and cooperation between participating countries, setting priorities and identifying strategic management options for the BOB, the Project requires a considerable emphasis to be placed on inter-country coordination, communications and information dissemination. These include monitoring and information dissemination functions, as well as supervision of regional and national activities.

A Project Steering Committee (PSC) will be established and be the policy setting body for the Project and will also have the responsibility for endorsing the Annual Regional Work Plan (ARWP), the latter which will contain details of the previous years' technical activities and the proposed plan of work for the coming year. Composition would include two members nominated by each BOBLME member country; typically one would be drawn from the Ministry of Fisheries and the second from the Ministry of the Environment. In addition, representatives of the Executing and Implementing Agencies and co-financing agencies will be members. The Programme Coordinator of the Regional Coordination Unit (RCU) would act as secretary. Chairmanship of the PSC would change annually (with no country repeating) and the country of the current chairman will normally be the host country for the annual PSC meeting. The chairman will retain contact with RCU during year and agree upon the site and agenda for the next meeting.

The location of the RCU was reopened after the BOBLME project was approved in the February 2004 Intersessional Work Programme. At the Appraisal Workshop that was held in Bangkok in June 2007, the BOBLME countries agreed that the project would be temporarily hosted at the FAO Regional Office for Asia and the Pacific (Bangkok) during PY1. This would allow sufficient time for interested countries to prepare proposals for hosting the RCU and for the countries to agree upon a location for the first phase project. The RCU be composed of two internationally recruited staff comprising a Programme Coordinator, a Chief Technical Advisor and a Finance and Budget Specialist. Three nationally recruited staff would provide office management, financial management and IT skills as well as M&E. Support staff (secretary, driver, cleaner) and additional services not requiring a full-time staff member (e.g. legal, IT systems maintenance, and specific technical skills areas) will be contracted as required. The RCU will act as Secretariat to the PSC. It will co-ordinate work at the national level through the eight country National Coordinators (NCs) and at the regional level through regional sub-contracting agencies or individuals. It is envisaged that in the second

phase of this 12-15 year Programme, the functions of the RCU would be transferred to the agreed long-term institutional structure.

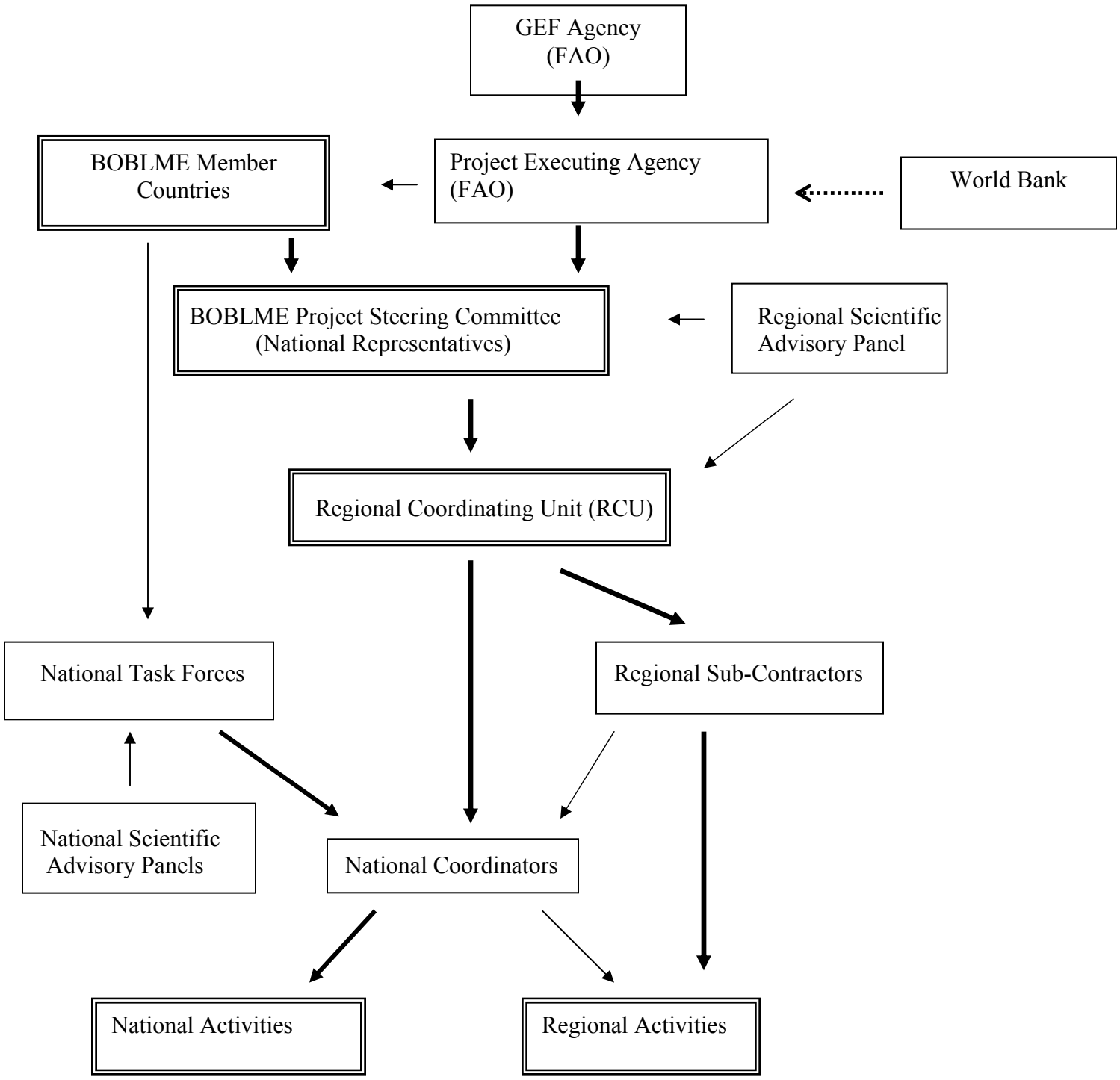
The National Task Force (NTF) will guide the implementation of the project at the national level. Its role would be analogous to that of the PSC, but at the national level. Members of the NTF would be nominated by participating Ministries but will also include representatives from non-governmental, civil society and private sector organizations. The NTF will consider and endorse the ANWP prior to submission to the RCU, including specifications for work within the country over the next year, and support the timely undertaking of the work plan through activities of the National Coordinator, consultants and the National Scientific Advisory Panel (NSAP).

Scientific Advisory Panels are proposed at both regional and national levels. Each would consist of a roster of technical specialists, acknowledged as experts at their respective levels (regionally or nationally), who would be paid on an 'as required' basis but with CVs and rates previously approved under professional service procurement arrangements. The roster will comprise at least two specialists for each of the main areas of focus for the project (i.e. fisheries/living marine resources, pollution, critical habitats and socioeconomic/ livelihoods). Review of subject specific proposals/analyses will be by two or three related technical specialists. Review of technically broader documents will be by one specialist from each relevant field. Panel members would work independently, as under a peer review mechanism, and would not normally meet.

An organizational chart of the implementation arrangements follows below:

BAY OF BENGAL – LARGE MARINE ECOSYSTEM PROJECT

PROPOSED MANAGEMENT STRUCTURE



PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

The project is fully aligned with the original PDF B document.

PART V: AGENCY(IES) CERTIFICATION

<table>
<tr><td colspan="2">This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.</td></tr>
<tr><td>José M. Sumpsi
Assistant Director-General
Technical Cooperation Department
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Name & Signature
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Email: Barbara.Cooney@fao.org</td></tr>
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Name & Signature
GEF Agency Coordinator</td><td>

Project Contact Person</td></tr>
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</table>

ANNEX A: PROJECT RESULTS FRAMEWORK

BAY OF BENGAL – LARGE MARINE ECOSYSTEM PROGRAMME

Results Framework **Global Environment Objective(GEO)/Project Development Objective (PDO)**	**Outcome (Process) Indicators**	**Use of Results Information**
Global Environment Objective To formulate an agreed on SAP whose implementation over time will lead to an environmentally healthy BOBLME.	A Regional Strategic Action Plan (SAP) establishing priorities for action (policy, legal and institutional reform and investments) to resolve priority environmental problems in BOBLME endorsed and adopted by participating governments, whose implementation over time is expected to lead to enhanced food security and reduced poverty for coastal communities in the BOB region	By YR5, there will be a sound basis for Regional coordinated action for the management of the Bay of Bengal based on endorsed National SAPs
Project Development Objective To support a series of strategic interventions that will provide critical inputs into the SAP whose implementation will lead to enhanced food security and reduced poverty for coastal communities.	Proposed actions in the SAP address the well-being of fisher communities through promoting regional approaches to resolving resource issues and barriers affecting their livelihoods.	– Public consultations on national SAPs completed by PY4 – Mid-term evaluation endorses achievements and does not recommend significant rephrasing or reorientation of approaches – Final evaluation concludes the project has met its development objective

Intermediate Results (one per component)	Results Indicators for Each Component	Use of Outcome Monitoring
Component One:	**Component One:**	**Component One:**
Long-term sustainability of the BOBLME Program ensured.	– Transboundary Diagnosis Analysis to identify environmental concerns and root causes of environmental degradation completed through an effective inter-governmental process and endorsed by respective governments.	– Review arrangements and adequacy of methodological guidance if noticeable uneven commitment/engagement of respective government counterparts in TDA process by YR2; – Collection and analysis of post-tsunami environmental studies by PY2.
	– Permanent institutional arrangements agreed to and established for the long-term management of the BOBLME	– Regional analysis completed by PY 2
	– Financial recommendations formulated	– Review arrangements if regional institutional analysis not completed by PY 2 – Reinforce consensus building if inter-ministerial agreement not reached by PY 5.
	– 8 National SAPs completed and agreed	– By YR2 - Review and revise SAP formulation process if national SAP teams and regional SAP team not functional by YR2 or less than 75% of stakeholders are involved in national SAP processes; – Public consultations of national SAPs completed by PY 4 – By YR4 – Review approach if less than six national SAPs not completed, public consultations on National SAP if less than six completed or less than six national SAPs not endorsed by respective governments.
	– One Regional SAP completed and agreed	– Establishment of regional SAP team by PY3 – Review consensus building process if Inter-ministerial conference cannot be convened beginning of YR5
	– Establishment of conditions leading to the creation of a permanent Regional agreement on fisheries - Full-size project for second phase of BOBLME programme completed	– Interim Regional Fishery Task Force created by PY3. – Fisheries management incorporated into Regional SAP for endorsement by end PY4

Component Two:	**Component Two:**	**Component Two:**
Regional and sub-regional collaborative management approaches applied to priority issues and barriers affecting coastal/marine living natural resources in the BOBLME and the livelihoods of dependent fisher communities.	– National pilot areas(s) benefiting from community based integrated coastal management, alternative livelihoods opportunities within a co-management framework – Six policy reforms in support of community-based integrated coastal fisheries management (ICM) approved. – Regional statistical data protocols signed. – Three fishery management plans developed and being applied to the management of regional/sub-regional fish stocks. – Bi-national management plans for critical transboundary ecosystems developed and approved by respective governments and institutional arrangements for their implementation established and functional.	– Pilot area(s) identified and stock taking complete by PY2 – Confirm if local capacity strengthened sufficiently to support policy reforms by PY4 – Ascertain if "lessons learn" substantiate need for meaningful policy reform by PY2 – Documented policy available by PY3 – Regional statistical sub-committee established in PY1 – Ascertain if joint data collection /sharing for respective fisheries occurring by PY3 – Review progress if bi-national committees not created by PY2 and bi-national institutional arrangements not established by YR5 – Review progress if sector plans not developed by YR5
Component Three:	**Component Three:**	**Component Three:**
Increased understanding of large-scale processes and ecological dynamics and inter-dependencies characteristic of the BOBLME.	– Agreed to plan of studies needed to address key data gaps serving as barriers to improving understanding of large-scale oceanographic and ecological processes controlling BOBLME living marine resources. – FSP in support of improved management of existing and creation of new MPAs approved and implemented. – Establishment of regional MPA monitoring programme – Partnerships established with regional and global environmental programmes and effective sharing of information in improving understanding of BOBLME processes	– Completion of data inventory by PY 1. Revise strategy if data inventory not completed. – FSP proposal prepared and submitted by PY 3. – Design of monitoring programme and candidate sites identified by PY 2. – Adjust approach if working group of MPA experts not established and functional by YR 1 – 1st planning meeting of regional MPA managers held by PY2.
	– Geo-referenced data base established and effective sharing and exchange of information amongst participating BOBLME countries	– Review progress and approach if less than 5 regional/global programmes not collaborating with BOBLME programme

		– Review and adjust if GIS data base inventories not completed in PY1
Component Four:	**Component Four:**	**Component Four:**
Institutional arrangements and processes established to support a collaborative approach to ascertain and monitor the health of the BOBLME and priority coastal water quality issues.	– Establishment of agreed to system-wide environmental health indicators – Strategy and action plan for regional pollution monitoring. – Pilot monitoring underway in selected "hot-spots" – BOBLME countries agree to water quality criteria	– National workshops completed by end of PY2. Revise strategy if no consensus reached on adequacy of existing indicators – National task forces created by end of PY1 and data bases inventoried by PY2 – Initial list of water quality parameters formulated by end of PY2. .Adjust strategy if countries unable to agree on initial broad list of indicators of water quality
Component Five:	**Component Five:**	**Component Five:**
Institutional capacity established to co-ordinate regional interventions, monitor project impacts, and disseminate and exchange information.	– Regional cooperation promoted through 6 meetings of the PSC – Project monitoring programme established and under implementation – Project results and "lessons learned" disseminated	– Determine by PY 2 level of participation of fisheries and environmental agencies of 8 countries in PSC meetings – Determine extent to which information is being shared amongst participating countries – Uptake monitoring of projects and agencies shows clear evidence of incorporation of BOLME approaches

Arrangements for Results Monitoring

Outcome Indicators	Baseline	Target Values					Data Collection and Reporting		
		Year 1	Year 2	Year 3	Year 4	Year 5	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
SAP, supported by permanent institutional arrangements and funding, is put in place to support regional collaborative activities, policy reforms, and sustainable management activities in the BOBLME.	None	-	-	-	-	1	Annual Regional Work Plan (ARWP) Report from mid-term review (MTR) Terminal Evaluation (TE)	M&E reports from project Mangement Information System (MIS) MTR TE	RCU FAO FAO
Proposed actions in the SAP address the wellbeing of rural fisher communities through promoting regional approaches to resolving resource issues and barriers affecting their livelihood.	To be completed in PY 1	-	-	-	-	1	ARWP MTR TE	MIS MTR TE	RCU FAO FAO
Component One:									
TDA finalized.	FTDA	25%	50%	100%	-	-	ARWP TDA PSC report	MIS	RCU
BOBLME permanent institutional arrangements agreed to and established.	None	-	-	50%	100%		ARWP Legal document	MIS	RCU PSC
Financial administrative recommendations formulated.	None	-	-	-	-	1	ARWP Legal document	MIS	RCU
SAP completed and agreed to.	None	-	-	-	50%	100%	ARWP SAP	MIS	RCU
Component Two:									

– National pilot areas(s) benefiting from community based integrated coastal management, alternative livelihoods opportunities within a co-management framework	None	25%	40%	60%	80%	100%	ARWP Stock taking and policy reform needs reports	MIS	RCU Consultants
– Identification of site-specific policy reforms in support of community-based integrated coastal fisheries management (ICM).	None	-	10 %	50 %	70 %	100 %	ARWP Policy documents	MIS	RCU Consultants
– Establishment of conditions leading to a interim Regional Fishery Agreement	None	10%	30%	80%	100%		ARWP Legal documents	MIS	RCU Consultants
– Regional statistical data protocols signed.	None	-	-	-	3	-	ARWP Protocols	MIS	RCU BOBLME countries
– Fishery management plans developed and applied to the management of regional/sub-regional fish stocks.	None	-	-	-	-	3	ARWP Management Plans	MIS	RCU Fishery Task Forces
– Establishment of conditions leading to the creation of permanent bi-national commissions to manage critical transboundary ecosystems.	None	10%	20%	50%	80%	100%	ARWP Bi-national agreements	MIS	RCU Commissions
Component Three:									
– Agreed to plan of studies needed to address key data gaps serving as barriers to improving understanding of large-scale oceanographic and ecological processes controlling BOBLME living marine resources.	None	-	-	1	-	-	ARWP Study plan	MIS	RCU Consultants

– FSP in support of improved management of existing and creation of new MPAs/fish refugia approved and implemented.	None	-	-	1	-	-	ARWP Approved FSP proposal	MIS	RCU BOBLME countries
– Establishment of regional MPA monitoring programme	None	-	-	-	1	-	ARWP	MIS	RCU
– Development of a regional network of MPA managers	None	-	1	-	-	-	ARWP	MIS	RCU Consultants
Component Four:									
– Establishment of agreed to system-wide environmental health indicators.	None	-	-	-	1	-	ARWP System-wide plan	MIS	RCU Consultants
– Strategy and action plan for regional pollution monitoring.	None	-	-	1	-	-	ARWP Technical report	MIS	RCU Consultants
– BOBLME countries agree to water quality criteria (%).	None	-	-	30%	70%	100%	ARWP Regional agreement	MIS	RCU BOBLME countries
Component Five:									
– Regional co-operation promoted though meetings of the PSC.	None	1	1	1	1	1	ARWP PSC reports	MIS	RCU PSC
– Project monitoring programme established and under implementation.	None	1	-	-	-	-	ARWP	MIS	RCU
– Project results and "lessons learned" disseminated.	None	10%	20%	50%	80%	100%	ARWP Press releases Videos Website (# of "hits") Uptake monitoring	MIS	RCU

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)

BAY OF BENGAL – LARGE MARINE ECOSYSTEM PROGRAMME

(a) STAP – INDEPENDENT TECHNICAL REVIEW AND RESPONSE OF THE PROJECT TEAM

The project team is grateful to the STAP reviewer for comments to strengthen the contents and presentation of this proposal. Presented below are the responses and/or actions taken, where required, taken in response to the STAP comments (in italic following the STAP comments).

Project reviewer: Dr. Loke-Ming Chou, Department of Biological Sciences, National University of Singapore.

KEY ISSUES

Introduction

The project aims specifically at protecting ecosystem health and managing living resources of the Bay of Bengal Large Marine Ecosystem (BOBLME). The main output is a Strategic Action Programme (SAP) detailing activities that should improve sustainable management of BOBLME over the long-term. The SAP will include a comprehensive framework with well-defined institutional and financial arrangements to ensure long-term sustainability of the programme itself so that the ultimate goal of a healthy BOBLME can be realized.

Central to regional strengthening of collaborative approaches and co-operation is the establishment of a Regional Coordinating Unit (RCU), considered necessary as none of the existing regional mechanisms is deemed appropriate in terms of mandate, geographical scope, and/or capacity to support an initiative based on a LME approach.

Activities will focus on two major threats which have been identified through preparatory phase consultations. These are living resource overexploitation and continued habitat degradation.

The programme is structured into five components, three of which deal specifically with resource management and environmental protection, and the remaining two with project management and sustainability.

Scientific and technical soundness of the project

The participating countries have, through the extensive regional and national consultations under the Block and Supplemental Block B grants, indicated a common desire for a healthy BOBLME. Its resources help support 400 million people inhabiting the Bay's catchment area. Sustainable exploitation requires a good understanding of the Bay's ecological functions and processes, strengthened national and regional management capacity and efficient coordination.

Component 1: Strategic Action Programme.

Subcomponent 1.2: BOBLME Institutional Arrangements.

A properly defined institutional mechanism should be established in the early phases of the project so that accountability can be maintained from the start. Participating countries should agree to a permanent institutional arrangement as early as possible, rather than have this developed halfway or towards the end of the first phase.

***Response by the project team**: The project preparation team fully agrees with the recommendation. This has been an issue that has been discussed with and among the participating countries since the early stages of project preparation. To be honest, there was a lack of consensus on the exact nature and location of a permanent institutional mechanism to implement the Project. As a result, agreement was reached among the 8 participating countries that an " interim" regional coordination unit (RCU) responsible for project implementation should be established at the onset of the Project. It was also agreed that project resources would be provided to support a much more detailed institutional analysis as well as promote a series of national and regional consultative workshops designed to achieve the needed consensus prior to the establishment of BOBLME permanent institutional arrangements. The participating countries have agreed to a timetable calling for a decision no later than the end of Project Year 3. Depending on the nature of that decision and the potential budgetary implications, the possibility may exist of replacing the RCU with a permanent arrangement prior to the end of Project's 1st phase. Finally, the existing situation provides an opportunity to allow for the emergence of other possible solutions which could facilitate reaching consensus among the participating countries (e.g., in the broadening of geographical representation and deepening of the mandate of the BOB Inter-governmental Organization).*

Subcomponent 1.3: Financial Sustainability.

This is crucial to long-term sustainability of any programme and any effort devoted to this aspect will be worthwhile. A sustainable financing mechanism should be agreed to and be able to sustain programme coordination at least, to ensure continuity and interest that can withstand the pulsating nature of aid agency funding.

***Response by the project team:** The team feels that this is a very important issue. Project subcomponent 1.3 specifically supports the establishment of a financially viable BOBLME. This subcomponent will support the: (i) design and establishment of a financing mechanism to fund the annual recurrent costs of the agreed BOBLME management structure ensuring the continued beneficial impact of the BOBLME programme; and (ii) assist BOBLME countries to prepare for the mobilization of financial resources and development of financial mechanism for implementing specific actions that will be developed, agreed and included under SAP.*

Subcomponent 1.4: SAP Preparation and Adoption.

The processes identified for developing the SAP are suitable; use of TDA and consultations with government, public stakeholders and partners to formulate the SAP should result in a product that addresses most needs.

Component 2: Coastal/Marine Natural Resources Management and Sustainable Use.

Subcomponent 2.1: Community-based Integrated Coastal Management.

There should be sufficient and varied experience across the region on community-based management with many valuable learning lessons that can be applied and replicated. This subcomponent is important for capturing the wealth of information and synthesizing the information for greater experience sharing. Similar activities in the East Asian Seas region have shown how community-based management of coral reefs and reef-related fisheries have been extended from the Philippines to Indonesia through information sharing and site visit exchanges. Replication of success is certainly to be encouraged and this activity should facilitate it.

Subcomponent 2.2: Improved Policy Harmonization

This subcomponent is important to ensure that policy processes and capacity for policy formulation are in place at local, national and regional levels. It will be more effective if the rural coastal community and the research community be given a more direct involvement equal to policy makers so that policy interventions are relevant and more acceptable to the coastal communities whose livelihoods can be improved through these policies. This is pertinent particularly to Objective 'ii', which promotes consolidation of selected policy recommendations to facilitate community-based ICM.

***Response by the project team**: We fully agree with the comments of the reviewer and feel that many of these concerns have been addressed in project design. The proposed policy studies identified under this subcomponent (which are described in more detail in documents in the project file), particularly Study 3 which focuses on community level policy and the respective sociological aspects, are designed to be fully participatory and inclusive in their completion. These studies in turn will provide a major input into identifying and formulating possible policy interventions. Similarly, the national workshops proposed under the subcomponent, both provide and have budgeted for a broad and diverse level of stakeholder participation including from the rural coastal and research communities. National workshops will also be attended by the national Project Steering Committees (PSCs) and National Task Forces (NTFs) members, some of whom will represent rural coastal communities. Workshop invitees will also include representatives from other stakeholder groups identified as appropriate (in terms of making and influencing policy), through the initial policy studies proposed above. It is expected to be particularly important to involve provincial and district officials, community representatives, and NGOs. These workshops will be one of the main means through which the Project will influence policy. Budget support has also been provided to strengthen capacity in local NGOs to work with coastal communities in participating and influencing local formulation of policies that affect their livelihood and wellbeing. Finally, project design has been kept flexible and provides opportunities for the countries to include additional policy studies and the wherewithal to act on policy recommendations if new priorities are identified during implementation.*

Subcomponent 2.3: Collaborative Regional Fishery Assessments and Management Plans.

It appears that shark fishery management to be addressed on a regional scale, and Hilsa and Indian mackerel fisheries management to be addressed at sub-regional levels have been evaluated as the most important target fisheries in need of collaborative trans-national efforts. This strategy of selecting a few species in urgent

need of management is sound and practical. The question arises as to which fishing sector benefits most from the exploitation of these species and whether there are present conflicts between large-scale and small-scale operators at local and national levels that will make it enormously difficult and complicated to deal with at sub-regional and regional scales, keeping in view the PDO of enhanced food security and reduced poverty for coastal communities. The common fishery data/information system to be established will be useful for the management of transboundary species, but it is not clear if the intention is to restrict the database to transboundary species or to be all encompassing.

***Response by the project team**: The reviewer is correct in noting that the selected species are taken by both small and large-scale vessels in the BOBLME region. Similarly, the conflict between the small and large – scale operators is one of the main management issues in the region and will be addressed by the Project as it is a transboundary issue (common) in that all countries have the same issue. In light of the complexity of the issue, it was judged to be most practical to address it at a sub-regional level (Hilsa and Indian mackerel, respectively). Many management interventions are possible and the opportunity to learn form others is a major advantage (these could include zoning, gear restrictions, seasonal closures and/or setting up of protected areas or fish refugia). Specific measures will be identified through the establishment of regional and national fishery taskforces to include representatives from both sectors and the subsequent preparation of national and sub-regional fishery management plans. Better management in both sectors would benefit food security both through direct food/nutrition effects and through indirect effects of improved earnings and employment. With respect to the data/information system, the intention is to use the transboundary species as an initial means to promote more standardized and consistent data collection systems which can then be built on and applied to all species. The eventual long-term goal is to establish a more generic system for all countries in the future.*

Subcomponent 2.4: Collaborative Critical Habitat Management.

Activities of this subcomponent are broad and similar to establishing ICM programmes at two pilot sites, each involving two countries. The activities include development of a systematic monitoring programme but do not indicate specifically what is to be monitored. If monitoring focuses on critical habitats, then what aspects are to be included? It is assumed that the critical habitats will be monitored to track the effectiveness of public awareness raising, alternative livelihood creation and improved planning capacity. The two proposed pilot sites will make excellent case studies on the management of shared/migratory stocks and be well-connected to Subcomponent 2.3.

***Response by the project team**: Again the team agrees with the reviewer's observations. During project preparation there was not sufficient time to inventory all relevant data, sources and current monitoring programmes, including in the latter case, national monitoring programmes which might be adapted to the specific sites. However, major data gaps that were identified that need to be addressed to complete an environmental baseline at the sites include basic oceanographic parameters, fish larval patterns, presence and status of selected rare and endangered species, and the current regime under differing monsoonal conditions. However, while representatives from the countries' relevant main line technical agencies and marine laboratories participated actively in the preparation of this subcomponent, time constraints prevented a larger technical workshop with other stakeholders which will be needed to finalize a number of aspects of the subcomponent including the monitoring programme. Moreover, given the likelihood that the recent tsunami has adversely affected a number of coastal/near-shore marine habitats in the proposed sites, there may be a need to adjust both baseline priorities (e.g., a need to resurvey selected critical habitat) and monitoring parameters and activities. Project design has provided the flexibility to adjust to any changes in the baseline and monitoring programme resulting from wider consultation and/or a change in circumstances. Under the subcomponent, support has been provided for the creation and periodic meeting of technical bi-national operations task forces that will provide the means to address and finalize these issues. In addition,*

a series of data workshops have been budgeted for in the subcomponent to allow for researchers to coordinate, exchange, and interpret data from the participating sites. Regardless of possible changes needed to complete an environmental baseline and establish a monitoring programme, which will be finalized in Project Year 1, the monitoring of status and change of critical habitats (primarily, coral reefs, marine grass beds, and mangroves) will likely be parameters to be included in any monitoring plan supported under this subcomponent.

Component 3: Improved Understanding and Predictability of the BOBLME Environment.

Subcomponent 3.1: Improved Understanding of Large-scale Processes and Dynamics affecting the BOBLME.

This activity is relevant and useful to a better understanding of large-scale environmental processes and does not take much of the total project cost. The identification of information gaps will help to steer future efforts that will synergize existing information.

Subcomponent 3.2: Marine Protected Areas in the Conservation of Regional Fish Stocks

The activities proposed in this Subcomponent are directed at a more comprehensive approach to the establishment of Marine Protected Areas (MPAs) for more effective management of fisheries stocks, particularly migratory species. They are straightforward and consistent with similar initiatives to create MPA networks that are known to me. The previous Subcomponent will complement this to a large extent.

Subcomponent 3.3: Improved Regional Collaboration.

While participation in relevant activities and processes of the listed programmes/initiatives are to be supported, it is not clear what the level of involvement will be in order to ensure improved collaboration. Too often, participation is reduced to attendance at meetings of the other institutions, with collaboration restricted at best to mere information sharing. The budget for this component suggests that this is the proposed mode of collaboration for greater effectiveness; collaboration should extend to joint activities that capitalize on the expertise/resources of different institutions so that limitation of funds becomes less of an obstacle to moving ahead.

***Response by the project team**: Again the team agrees with the observation. It is the view of the team that the only way to achieve any significant impact on the "health" of a body of water as large and complex ad the Bay of Bengal, will be to work in a close and collaborative fashion with other regional and global programmes and projects in the Bay. That being said, identifying and negotiating these collaborative arrangements at the onset of project effectiveness, in the absence of well-established and recognized BOBLME institutional arrangements, constrains making substantial commitments in terms of resources at this time. Moreover, most of the project resources in Phase 1 are oriented towards foundation building with more substantial field activities likely to take place in the second and subsequent phases of the BOBLME Programme. Furthermore, based on an initial evaluation of other relevant initiatives in the region, there remains a certain level of uncertainty with respect to their own status and next steps (e.g., GIWA). Finally, it was felt that there would be some difficulty in justifying the blocking of resources during this phase of the BOBLME Programme for use in collaborative activities to be defined later in Project implementation. Despite these considerations, there have been a number of informal discussions with regional institutions with respect to possible roles in support of project implementation (ref. regional sub-contractors in the institutional arrangements proposed under the Project). These will be further defined in Project Year 1. In short, as the reviewer has correctly said, the focus of the 1st phase is to establish a permanent institutional arrangement in support of BOBLME objectives. In light of this priority, the team felt it was logical to provide*

the wherewithal to enable the regional coordinating unit (RCU) to reach out initially through attending of meetings and other similar mechanisms to more fully understand the range and nature of existing initiatives during the foundation building process. This in turn will provide a basis for building a more substantive collaborative approach in subsequent phases of the Programme where field activities will become a much more significant part of project supported activities..

Subcomponent 3.4: Establishment of a Geo-reference Data Base.

This activity is essential to permanently archive the huge quantity of information to be generated from the programme. Information retrieval will be facilitated and the production of regional data products will give participating countries a good sense of ownership and the benefits of participation.

Component 4: Maintenance of Ecosystem Health and Management of Pollution.

Subcomponent 4.1: Establishment of an Agreed to Ecosystem Indicator Framework.

Environmental health indicators are important tools for managers. While water quality indicators are much established, ecological indicators that measure habitat quality are comparatively less defined or accepted. Still it will be a useful exercise if such indicators are developed for the region. Water quality criteria have been developed and adopted by the Association of South East Asian Nations (ASEAN) and can be considered by BOBLME nations, four of which belong to ASEAN.

Subcomponent 4.2: Coastal Pollution Loading and Water Quality Criteria.

This Subcomponent is timely and necessary to the SAP. A strong regional capacity to address marine pollution will contribute to a healthy BOBLME.

Component 5: Project Management.

Subcomponent 5.1: Establishment of the RCU.

This Subcomponent is estimated to take up 22.5 percent of the project funding. It is a major expenditure and should be considered carefully. Various alternatives to the establishment of an entirely new RCU were considered but analyzed to be unsuitable. There are advantages and disadvantages to setting up a new coordinating structure. These will have to be examined in greater detail and the final decision should be supported with stronger and more convincing justifications, including a cost-benefit analysis.

***Response by the project team**: The team has been highly sensitive to this issue throughout the preparation process. As might be expected from a Programme encompassing activities in eight countries with a considerable emphasis on, monitoring, evaluation and information dissemination, the cost of the project management component is significant (over 20 percent of the total). One factor which contributed to increased cost was a decision to increase project implementation from five to six years. Nevertheless, this is viewed as both warranted and realistic for a Programme as complex as the BOBLME. Another factor contributing to cost is the inclusion of national counterpart management and coordination costs. In terms of the costs themselves, salaries and travel make up the greatest percentage. The number of expatriates (which may all be recruited from the region) have been cut to the minimum needed to ensure a technically sound RCU and still be able to call the BOBLME a regional project (3). Similarly, the travel budgeted for an eight country regional project is not viewed as excessive. Finally, it should be noted that the countries have contributed significantly in both cash and in-kind, particularly India as host country, in covering the partial*

costs of the subcomponent. Although careful attention was given to assessing alternative management structures, it should be stressed that there is no existing institutional structure within the region capable of taking on this role. The structure established for the purposes of implementing the PDF-B retains only a single national staff member at this time. Among the alternatives evaluated were: (i) incorporating BOBLME management within the Chennai-based BOBIGO; (ii) basing the management unit at FAO Regional headquarters in Bangkok; and (iii) basing the management unit within one of the regional fisheries or coastal research organizations. It was concluded that although the BOBIGO might offer a long term sustainable solution to BOBLME management, the current restricted membership (only three of the eight participating countries) render it infeasible as a host at this time. The utilization of FAO offices, while reducing initial investment costs, would do little to cut annual operating budgets and would risk significantly reducing the role of participating national countries in management and hence long term sustainability.

Subcomponent 5.2: Monitoring and Evaluation System.

This is certainly necessary to ensure that project targets are met and progress is as planned. The proposed activities are relevant.

Subcomponent 5.3: Project Information Dissemination System.

This Subcomponent is as important as the previous.

Identification of the global environmental benefits and/or drawbacks of the project.

The benefits will be a healthier and better managed BOBLME where improved sustainability will contribute to poverty alleviation of rural coastal communities and enhanced food security. The drawbacks include the lengthy process to develop an effective regional mechanism and acceptance by various stakeholders, but it has to start sometime. The project brief (p.2, 3rd paragraph) states that a critical barrier to addressing the key issues of unsustainable harvesting and habitat degradation is the weak and/or inappropriate policies, strategies and legal measures that characterize much of the region. "Where these do exist, they are rarely enforced". How confident can we be of situation improvement resulting from better policy formulation when the present weakness of enforcement and/or surveillance remains unaddressed?

***Response by the project team**: It is the team's view that sound policies are a prerequisite to improved surveillance and enforcement. It makes little sense to support increased enforcement capacity if what is being enforced is non-sustainable. It is felt, with strong support from the countries, that project support for a thorough review of "lessons learned" in the region, coupled with increased awareness among decision-makers and rural fisher communities alike, provides a sound basis for beginning to get the policies "right." This will be further supported, by the establishment of a data portal designed to facilitate information exchange within the region, initially focusing on fishery legislation and policies and, dependent on its success, broadening the portal to include information and data relevant to other Project-relevant themes. Finally, project resources have been provided to promote the pilot the implementation of new policies where opportunities arise and the countries are in agreement. Once the "right" policy framework is in place, greater emphasis can be focused on increasing the efficacy of their implementation, most likely in the Programme's 2nd phase where field activities are more likely to predominate. Finally, despite the emphasis on foundation building in this initial phase of the Programme, there are a number of field oriented pilot activities (e.g., preparation and implementation of regional and sub-regional fishery management plans, sub-regional management of transboundary critical habitat, and pollution "hotspot" monitoring). Where monitoring and enforcement are identified as major constraints in these activities, it is expected that project resources would address these issues as warranted.*

How the project fits within the context of the goals of GEF, as well as its operational strategies, programme priorities, GEF Council guidance and the provisions of the relevant conventions.

The project is highly relevant to GEF goals. The performance indicators have been selected to reflect environmental quality improvement, enhanced capacity of participating countries, an effective collaborative mechanism and poverty alleviation.

Regional context.

The project includes all the countries around the large marine ecosystem of the Bay of Bengal and the regional context is relevant and well defined.

Replicability of the project (added value for the global environment beyond the project itself.

The institutional framework model that will be developed can certainly be replicated and applied to other LMEs. The project itself has pilot sites for the demonstration of sub-regional and bilateral arrangements and these in themselves can be replicated across BOB.

Sustainability of the project itself.

The development of the collaborative mechanism is a confidence-building measure that will increase resolve among participating countries to manage and improve the environmental quality of the Bay. Progress and success of initial activities will help to maintain interest that should contribute to project sustainability.

SECONDARY ISSUES

Linkages to other focal areas.

The project covers many of the main issues linked to ICM and LME management. It should help countries to meet with commitments to international conventions and agreements dealing with the marine environment.

Linkages to other programmes and action plans at regional or subregional levels.

There are many programmes and initiatives operating in the Bay of Bengal and functional linkages with these are important if action is to be synergized and overlapping activities minimized.

***Response by the project team**: We fully agree and have attempted to reflect that in project philosophy and design. See remarks under subcomponent 3.3, above.*

Other beneficial or damaging environmental effects.

The project has only beneficial effects to the environment. No damaging effects on the environment are apparent except for delays in project implementation.

Degree of involvement of stakeholders in the project.

There is a high degree of engagement with various stakeholders and a consultative approach is adopted in the project. There is a lot of consensus building involving stakeholders.

Capacity-building aspects.

When adopted and established by participating nations, the regional mechanism will increase the capacity of these countries to manage the marine environment more effectively and improve capability to address transboundary issues.

Innovativeness of the project.

There is not much in the way of innovation. Models exist elsewhere on the process of developing a regional mechanism for improved management of a large marine ecosystem. None is in place for the BOBLME.

***Response by the project team**: We fully agree. A major factor which influenced project design, supported with very explicit guidance from the participating countries, was not to place the focus and budget of the Project on promoting new, innovative approaches to manage the BOBLME and its resources. Rather it was to consolidate the already large and diverse experiential data base that exists throughout the region, distill relevant "lessons learned" and support its further replication and deepening in the BOB area. Further, while the creation of a regional approach to managing the BOBLME in itself may not be considered particularly innovative, the establishment of a well-recognized and appropriate institutional arrangements to facilitate a regional approach among the countries to address transboundary issues was felt by most to be the highest priority. Finally, while arguably not particularly novel, Project support for the promotion of collaborative approaches among two or more countries to address critical protected areas, transboundary fish stock management, common environmental health protocols and pollution monitoring will be new to the region.*

ADDITIONAL REMARKS

It is already accepted that regional approaches are necessary for the management of the marine environment and to cope with its open and interconnected nature. Regional collaboration not only improves capacity to address transboundary issues, but also enhances management at national and local levels. Effective regional mechanisms can help to facilitate sharing of responsibilities and improve surveillance and enforcement across territorial boundaries, reducing helplessness at national levels against, for example, foreign poachers. Such a network will strengthen management throughout the region.

The recent Asian tsunami disaster provides a clarion call for the strengthening of regional co-operation. If already established, the regional institutional set-up can help to rehabilitate the thousands of displaced and affected fishers who survived the calamity. Even without natural disasters of such unprecedented magnitude, the rates of habitat degradation and fisheries resource depletion are sufficiently serious to warrant immediate attention.

***Response by the project team**:. During the preparation of the FTDA, the occurrence of natural hazards generally and tsunamis specifically, were not identified as a priority. This situation changed dramatically on 26 December 2004. We fully appreciate the magnitude and gravity of the recent tsunami on the peoples of the region and spent a good deal of time, given the project objectives, potential funding source, and status of project preparation, on how best to respond. As a result, the BOBLME proposal, which had been prepared and endorsed by the countries pre-tsunami, was reassessed to ascertain where meaningful and compatible contributions could be made in a timely manner. A number of opportunities in the proposed Project were identified which could easily be adapted to reduce vulnerability in rural coastal communities to natural hazards (for example by support for vulnerability mapping and improved local use planning in the Project's GIS and Policy formulation subcomponents, respectively). An important additional need was identified, namely to establish a new, post-tsunami environmental "baseline" which has now been included under the TDA subcomponent through a comprehensive assessment of critical coastal habitats. This will provide a key input into other on-going and proposed coastal community and livelihood assessments to ascertain impacts on future income and well-being of affected populations. Finally, dependent on the priorities of the countries, there could be the possible inclusion of a second tier Early Warning System (EWS), designed to expedite the transfer of hazard relevant information from national information nodes (typically located in the capital cities) to vulnerable rural coastal communities. In light of the number of current activities and the rapidly changing situation in the tsunami-affected areas, flexibility has been built into the Project so as to allow further definition of BOBLME-supported activities as the situation evolves. What is important, however, is early action on the approval of the Project to ensure that BOBLME plays a meaningful role in the future assessment and rehabilitation and management effort. An operational BOBLME would also provide the framework of an ecosystem approach and sustainable fisheries management, a framework in which many donors that are providing emergency and rehabilitation relief are interested in collaborating. Once approved and operational, a regional workshop proposed under the TDA subcomponent (subcomponent 1.1) would provide a means to better assess how the Project can better contribute to other on-going and planned activities.*

Project implementation.

The process and mechanism are clearly outlined. Support from the participating countries is important to the successful implementation of the project and this has already been demonstrated in the project's preparatory phase.

Project future.

Much depends on the commitment of participating countries. This again has already been demonstrated in the preparatory phase with countries contributing in cash and kind to the development of the project proposal.

(b) GEF SECRETARIAT COMMENTS AT WORK PROGRAM ENTRY AND RESPONSE OF THE PROJECT TEAM

Program Designation and Conformity: For consistency with strategic priorities in the focal area in addressing the key portfolio gaps such as depletion of fisheries, the countries should be asked whether they would like to include as an objective of the project moving forward the WSSD targets for 2010 (ecosystem approach) and 2015 (sustainable fisheries). Consistent with the strategic priorities, GEF would welcome this objective to show responsiveness to WSSD targets.

Response by the project team: *The WSSD 2002 Plan of Implementation placed special emphasis on four issues of particular relevance to the BOBLME Programme. These are:*

- *the development and implementation of national and regional Plans of Action to put into effect the International Plans of Action (IPOAs) on Illegal, Unreported and Unregulated Fishing by 2004 and on fishing capacity by 2005 (#30d);*
- *the application of the ecosystem approach by 2010 (#29d);*
- *the restoration of depleted stocks by 2015 (#30a); and*
- *the establishment of "representative networks" of marine protected areas by 2012 (#31c)*

The Plan also identified a number of actions in the area of institutional policies, including strengthening of regional cooperation and coordination, particularly among regional bodies (#29f). The Plan furthermore expressly recognized the role of FAO and referred explicitly to the Code of Conduct and its related International Plans of Action (IPOAs) and guidelines.

The overall objective of the Project is to promote an ecosystem approach to managing the Bay of Bengal resources on a sustainable basis. This would be accomplished through the development and implementation of a SAP whose implementation would lead to enhanced food security and reduced poverty for coastal communities in BOB region. In addition, the countries' priority concerns, as identified and reconfirmed at every regional meeting, is the overexploitation of living marine resources (particularly IUU) and the destruction of critical habitats, and the need to manage them on a sustainable basis. Components 2 and 3 have therefore been designed with a view to addressing these priority concerns, creating an enabling policy environment, and promoting, inter alia, the development of regional fishery management plans and collaborative management of critical habitats (fish refugia, marine protected areas).

The proposed BOBLME Programme furthermore addresses the Millennium Development Goals (MDGs) related to eradication of extreme poverty (#1a), eradication of extreme hunger (#1b), and ensuring environmental sustainability (#7), including integrating the principle of sustainable development into country policies and programmes and reversing the loss of environmental resources.

Stakeholder Involvement: Stakeholder involvement plan should be produced by time of work program inclusion.

Response by the project team: *A Stakeholder Involvement Plan can be found in Attachment 1 of Annex 10 of the Project Brief. As discussed in Section 3(d) of the Project Summary Document, stakeholder participation is central to the design and implementation of the project. Annex 12 to the Project Appraisal Documents provides a chronology of stakeholder participation during the preparation of the project. Stakeholder participation during preparation occurred through participation in national consultations and workshops, meetings of the national task forces, the development of national reports, regional meetings and technical workshops and meetings of the Project Steering Committee. Selected documentation has been posted on the BOBLME dedicated website. During project implementation, stakeholder participation in all project components is included at varying levels of intervention. At the community level, local participation is specifically identified and costed as a key input into the: (i) "stocktaking" activities (subcomponent 2.1); (ii) local capacity improvements as part of policy "mainstreaming" (subcomponent 2.2); development of all project-supported fishery management and critical habitat plans (subcomponents 2.3 and 2.4, respectively); and (iv) case studies and development of guidelines associated with assessing the role of fish refugia in the management of fish stocks in the BOBLME (subcomponent 3.1). Consultations at the national level will be ensured through the creation of Project-wide National Coordinators and Project Task Forces. National consultations are the "heart" of the processes leading to the finalization of BOBLME institutional arrangements (1.2) and the development of an agreed SAP. Additionally, specific national consultations have been included and costed as workshops (subcomponent 2.1), national fishery task forces (subcomponent 2.3), and commissions (subcomponent 2.4). Finally, at the regional level there are a large number of workshops and consultations which will be supported across many of the components as well as the Project-wide regional collaboration supported under the Improved BOBLME "predictability" -component (component 3) and information dissemination subcomponent (subcomponent 5.3).*

Monitoring and Evaluation: Inclusion of M&E plan with indicators of results.

***Response by the project team*:** *Annex 3 of the draft Project Brief provides specific details of the (i) Results Framework and Monitoring, (ii) Arrangements for Results Monitoring and (iii) A Monitoring Plan, with specific results indicators for each component, baseline, targets, frequency of monitoring, monitoring instruments and responsible persons/institutions for data collection, and detailed discussion of monitoring and evaluation arrangements and arrangements for dissemination of results. The intent is to also consider the possibility of including an assessment of the condition of the coral reefs and other coastal and marine habitats, in collaboration with the Global Coral Reef Monitoring Network, in the countries affected by the tsunami to establish a new baseline.*

Financing Plan: Co-finance identified at work program entry.

Response by the Project Team: *The status of co-financing arrangements for the project is provided in Section 4 of the Project Executive Summary. In terms of country contributions (in cash and in kind), the amounts indicated in the table in Section 4 were proposed by the countries at the Second Regional Workshop in Colombo in October 2005, and will be confirmed by their respective governments by the time of CEO endorsement. NOAA and FAO have confirmed their support for the project. The draft Project Brief was transmitted on 22 December 2004 (pre-tsunami) to around 20 potential donors, including those who have supported the PDF-B process (Sida, NOAA, Japan), as well as to previous donors of the Bay of Bengal Programme (BOBP). Since the tsunami, a number of donors have been in contact with FAO for further information on the proposed BOBLME programme. While many donors are committed to providing emergency relief and rehabilitation assistance, they have expressed their interest in working within a framework that promotes an ecosystem approach. While firm US$ commitments have not yet been made at this time, the WB and FAO would provide commitments in writing by the time of CEO endorsement.*

General Comments: As with all IW projects, expect that a component would be included for developing a website for the project, displaying assessment information such as TDA and agreed actions such as SAP on the site. The site should be established consistent with guidelines from IWLEARN and the project should include funding to actively participate in IWLEARN activities and the IW Biennial meetings.

Response by the project team: *The BOBLME has already a dedicated website (http://www.fao.org/fi/boblme/website/index.htm). Component 5.3 of the project includes support for building and further strengthening the website. This website will help disseminate information to regional and global stakeholders relevant to BOBLME and the BOBLME programme. The project team will communicate with IW:LEARN IT staff early to ensure that the project website is consistent with IW:LEARN guidelines content and links for GEF-IW supported projects. The project includes support for hosting learning exchanges associated with the BOBLME through the IW:LEARN website and supporting participation in IW:LEARN supported and other relevant meetings.*

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT

Position Titles	*$/ person week*	*Estimated person weeks*	*Tasks to be performed*
For Project Management			
Local			***The titles of all consultants reflect the main tasks to be performed***
Finalization of M&E system	3,125	4	
Regional/National Expert Monitoring and Evaluation	600	120	
Regional/National Expert Information Dissemination	600	120	
International			
Midterm and final evaluation missions (2)	5625	16	Midterm and final evaluations (2 international independent members)
Design and launch Website	800	6	
For Technical Assistance			
Local			
TDA preparation consultants	1,250	96	
SAP finalization consultants	1,250	48	
Policy harmonization	1,250	64	
ICM consultants	1,250	64	
Fishery Assessment: Sharks	1,250	96	
Fishery Assessment: Mackerel	1,250	40	
Fishery Assessment: Hilsa	1,250	32	
Fisheries statistics	1,250	32	
Large scale processes and dynamics	1,250	32	
Marine protected areas and fish refugia	1,250	400	
GIS National consultants	1,125	112	
Environmental indicators	1,250	32	
National consultants coastal pollution loading and water quality criteria	1,250	90	
International			
TDA preparation	5,125	48	
SAP finalization	5,125	8	
Financial strategy	5,125	78	
SAP formulation	5,125	44	
ICM consultants	5,125	18	
Policy harmonization	5,125	36	
System designer	5,125	8	
System Programmer	5,125	12	
Applications Programmer	5,125	12	
Web-interface Programmer	5,125	12	
Fishery Assessment: Sharks	5,125	28	

Fishery Assessment: Mackerel	5,125	24	
Fishery Assessment: Hilsa	5,125	56	
Fisheries Statistics	5,125	64	
Large Scale Processes and Dynamics	5,125	8	
Marine Protected Areas and Fish Refugia	5,125	80	
GIS Consultants	5,000	24	
Environmental Indicators	5,125	8	
Resource Advisor	5,125	16	
Legal Advisors	5,125	6	SAP institutional and financial arrangements

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

The World Bank was the Implementing Agency of the PDF-B resources and FAO was the executing agency of the project. Resources were transferred to FAO through a letter of agreement with the World Bank. The PDF-B and Supplemental PDF-B have been completed. The table below has been completed according to the funding categories in the LOA between the World Bank and FAO. The Activity Completion Report which includes outputs from completed project preparation activities has been submitted with the request for CEO endorsement.

B. DESCRIBE IF ANY FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

Project Preparation Activities Approved	*Implementation Status*	*GEF Amount ($)*				*Co-financing ($)*
		Amount Approved	*Amount Spent To-date*	*Amount Committed*	*Uncommitted Amount**	
Consultants' Services	Completed	297,200	316,722			445,037
National/Regional Workshops	Completed	182,400	163,244			313,764
FAO Technical Assistance and Administrative Support	Completed	145,000	142,957			362,000
Equipment	Procured, used and transferred to Sida-funded BOBLME component	5,200	4,119			5,591
Incremental Operating Costs	Completed	70,000	72,508			74,295
Total		699,800	699,550		217	1,200,687

* Uncommitted amount should be returned to the GEF Trust Fund. Please indicate expected date of refund transaction to Trustee.

Only US$699,767 was received by FAO because an amount of US$33 was deducted as bank fees.