



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	5485		
Country/Region:	Seychelles		
Project Title:	Seychelles' Protected Areas Finance Project		
GEF Agency:	UNDP	GEF Agency Project ID:	4656 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1;		
Anticipated Financing PPG:	\$0	Project Grant:	\$2,776,900
Co-financing:	\$15,013,654	Total Project Cost:	\$17,790,554
PIF Approval:	September 12, 2013	Council Approval/Expected:	November 07, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jaime Cavalier	Agency Contact Person:	Fabiana Issler

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	7-2-13 Yes. Cleared	7-21-15 Cleared
	2. Has the operational focal point endorsed the project?	7-2-13 Yes. There is LoE from the OFP for \$3,150,205 dated July 4th, 2013 Cleared	7-21-15 Cleared
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	7-2-13 No. The requested budget of \$3,150,205.50 is above the funds available for Seychelles. Using guidance from the GEF Council the STAR	7-21-15 The Grant Total and Agency fees remained the same since PIF approval. the total budget for this project (including the Grant and Agency Fees +

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>allocation of Seychelles has been reduced. Please reduce the budget by \$228,158 for the GEF Secretariat to be able to continue processing this request. Thanks.</p> <p>8-16-13 The budget allocation for this project has been resolved. There are \$3,300,200 for BD STAR as of today. The funds increased since last review by re-allocating \$400,000 that SGP Seychelles requested to be re-instated to the BD STAR. Relevant Emails uploaded to PMIS. Cleared</p>	<p>the PPG and Agency Fees) is \$3,150,207. Cleared</p>
	<ul style="list-style-type: none"> • the focal area allocation? 	<p>7-2-13 No. The requested budget of \$3,150,205.50 is above the funds available for Seychelles. Using guidance from the GEF Council the STAR allocation of Seychelles has been reduced. Please reduce the budget by \$228,158 for the GEF Secretariat to be able to continue processing this request. Thanks.</p> <p>8-16-13 The budget allocation for this project has been resolved. There are \$3,300,200 for BD STAR as of today. The funds increased since last review by re-allocating \$400,000 that SGP Seychelles requested to be re-instated to the BD STAR. Relevant Emails uploaded to PMIS. Cleared</p>	<p>7-21-15 The Grant Total and Agency fees remained the same since PIF approval. the total budget for this project (including the Grant and Agency Fees + the PPG and Agency Fees) is \$3,150,207. Cleared</p>
	<ul style="list-style-type: none"> • the LDCF under the principle of 	NA	NA

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	equitable access		
	• the SCCF (Adaptation or Technology Transfer)?	NA	NA
	• the Nagoya Protocol Investment Fund	NA	NA
	• focal area set-aside?	NA	NA
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives ? <i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i>	7-2-13 Yes. BD1 and Aichi Targets 11 and 20. See page 11 of PIF for details. Cleared	7-21-15 Cleared
	5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	7-2-13 Yes. Particularly with the "Seychelles Sustainable Development Strategy 2012-2020 (SSDS)". See page 11 for details. Cleared	7-21-15 Cleared
Project Design	6. Is (are) the baseline project(s) , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	7-2-13 Yes. The financial baseline project for the three PA Sub-systems focus of the project covering 83% of the expanded PA estate and pooling more than 80% of PA finance flows (80%+), is summarized in Tables 1, 2 and 3. Cleared	7-21-15 Cleared
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	7-2-13 Yes. This is the structure of this project: Component 1. Planning and legal frameworks for	7-21-15 Component 2: Increased and more reliable revenue generation for PA management.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>improved use of new and existing PAs. This include: i) The development of a protected area finance plan to direct the long-term sustainable financing of the system. Financial sustainability scorecard to increase from 27% to at least 50% in 2018/19; total budgets for the management of the current PA system increase by at least 150% by EOP from a baseline of \$4.3 million, ii) Improved PA management capacity at individual, institutional and systemic levels to deliver conservation benefits. Capacity Development Scorecard for PA system management increase reach 75% from a baseline of 60% in 2013.</p> <p>These outcomes will be achieved by means of: i) A financial plan for Seychelles' PA System as key instrument for the 2013 PA Policy, ii) the establishment of site-level- cost effectiveness and conservation-effectiveness benchmarks, iii) PA financing program from (i) user fees (park entry, research fees, other tourism and non-tourism fees, where regulations need improvements), and possibly also 'green taxation'; (ii) a Debt-for-Nature-Swap scheme (in collaboration with TNC); and (iii) a biodiversity offsetting programme from the oil & gas industry (in collaboration with Petro Seychelles), ii) institutional strengthening.</p> <p>Component 2:</p>	<p>Outcome 1.2: Increased revenue for protected area systems to meet total expenditures required for management</p> <p>1. The reading of Table 23 (p.97) shows that the only sub-system that is not retaining revenue for re-investment is SNPA; It receives \$1.4M from the central government, it generates \$1.3M but retains 0%. What is the commitment on the part of the Government to allow the PAs (SNAP) to retain the site-level revenues? On the other hand, the Government is allowing all other sub-systems to retain 100% of the revenue generated. Are the proposed activities under Output 2.2 aiming at reducing the gaps with increased revenue and no central government support as it is currently the case?</p> <p>2. It is not easy to understand how revenue generation is going to increase and be more reliable with the proposed activities listed under Output 2.2 when GEF financial resources will be scattered among 8 existing PAs (Morne Seychellois NP, Praslin NP, La Digue Veuve, Curieuse and Cousin Special Nature Reserves, and Silhouette Island National and Marine Parks), and two PAs in the process of being established (North and Denis). With the exception of the investment in the "Aldabra House Visitor Center", that is likely to attract a significant number of visitors and revenue, the other investments appear to generate additional revenues that would</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>Increased revenue generation for PA management. Specifically: i) Total annual revenue for protected area management mobilized increases by at least 150% by the end of project from a baseline of \$5.5 million in 2013, ii) Percentage of own annual revenue collection reaches at least 80% by project end, from a baseline of 0% in 2013, iii) Financing gap for managing the expanded PA system under a 'basic management scenario' is reduced to close to \$0 from a baseline of \$1.61 million in 2013.</p> <p>These outcomes will be achieved by: i) Improvement of the PAs own revenue collection and retention into the PA system, ii) Establishing and renovating essential touristic infrastructure in key government-managed PAs, iii) Creation of a Trust Fund in connection with the nascent Seychelles Debt-for-Nature-Swap initiative in collaboration with TNC.</p> <p>Cleared</p>	<p>be marginal at best (i.e. a VHF system, a solar photovoltaic system or buoys). Please elaborate.</p> <p>Isn't the cost to get to most of these islands and stay there (lodging and food) the most critical factors limiting increasing revenue from tourism? What could this project do about this?</p> <p>Output 2.3 The operationalization of the SCCAT and of other related environmental finance mechanisms to be adopted, takes the need for supporting biodiversity conservation into consideration, including the need to address the PAS financing gap.</p> <p>Please sharpen the language on the proposed activities under this Output. Not very clear what will be achieved with \$134,000 investment. For instance what is the expected outcome of the "...advocacy work that will influence key processes and stakeholder relating to funds mobilization and management". What is the GEF actually paying for "the recruitment of national experts and managers for the SCATT, and initial office operations, governance aspects (e.g. the establishment and training of the Board of Directors and Executive Director)". Please clarify</p> <p>11-30-15 Cleared</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>7-2-13 Yes. The project will put in place a framework for the financial and operational efficiency and coherence of the current disconnected assemblage of PAs and aligning management standards and efficiencies across its constituent Pas in the national System. This will be achieved by: i) leveraging conservation finance through financial planning, ii) the introduction of cost-effective management measures and a legal and management framework to secure new financing instruments, iii) supporting PAs to expand revenue collection schemes and re-invest their own revenues, testing of new resource generation mechanisms, including a Trust Fund to handle investment under the Debt-for-Nature Swap.</p> <p>The GEB are properly described with a synthesis on p. 8-9.</p> <p>Cleared</p>	<p>7/21/15</p> <p>Terrestrial PA area will increase from 39% to 50%, and conservation effectiveness from low to moderate/high, safeguarding 7,200 terrestrial species with levels of endemism between 45% and 80%.</p> <p>Marine PA area will increase from <1% to 15%, and conservation effectiveness from low to moderate/high, enhancing protection of at least 1,000 reef fish species, important pelagic fisheries, ocean areas used by 19 whale species, 7 dolphin species and 4 turtle species (3 red-listed). Conservation concerns are mainstreamed into the nascent operations of the oil and gas sector in Seychelles.</p> <p>Cleared</p>
	<p>9. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?</p>		<p>7/21/15</p> <p>As stated in the PRODOC: "National socio-economic development in Seychelles specifically depends on the country's unique biodiversity and its high landscape value. Overall, the natural beauty of PA sites in Seychelles attracts tourists, functioning as a "magnet", and adds significant value to the country as a tourism destination. When sites and sub-systems of PAs are funded at a sub-optimal level,</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>management actions may not be sufficient to curb threats to PAs, including some of the impacts from intense tourist visitation on biodiversity. Over time the value of PA sites will be degraded, eventually affecting the country's tourism attractiveness. Hence, tourism and the sustainability of the PA system go hand in hand with one another. Both national and local socio-economic development in Seychelles specifically depends on the country's unique biodiversity and its high landscape value and, to a large extent, on the sustainability of the PA system, to which financial sustainability is paramount".</p> <p>Cleared</p>
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>7-2-13 Yes. Although CSOs and indigenous Peoples are not at the center of this project, relevant actors like Island Development Corporation (IDC), Island Conservation Society (ICS). Seychelles Island Foundation (SIF), The Nature Conservancy, (TNC) and Fishermen's Associations and co-mgmt. committees were identified in the PIF. Cleared</p>	<p>7-21-15 The following CSOs are participating in the project: Green Island Foundation, Marine Conservation Society of Seychelles, Nature Seychelles and The Nature Conservancy. Cleared</p>
	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)</p>	<p>7-2-13 Yes. See page 10 of PIF. Cleared</p>	<p>7-21-15 Cleared</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	7-2-13 Yes. See page 10 in PIF. Cleared	7-21-15 Cleared
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>INNOVATION: The project approach is to establish the institutional capacity, systems and potential for increased revenue streams that allow sustainability in the managing and financing of an expanding PA system. The development of increased revenue streams requires diversification and innovation, introducing private partnerships, a trust fund mechanism linked to debt relief and offset arrangements that are so far untried in Seychelles. A high-level of Government support for innovation is expected in view of the commitment of Government to environmental protection and to the expansion of the PA system on the one hand, while facing economic constraints on the other hand.</p> <p>SUSTAINABILITY AND REPLICATION: The approaches are designed to test means of diversifying income that contributes to PA management and improving the conservation effectiveness of their investment. Clearly, by doing so and closing the PA financing gap, the project will improve the overall financial sustainability of the system. The institutional sustainability will be assured by focusing on capacity building, both for revenue 'generation' and 'conservation delivery'. At the regional level, the project is highly replicable.</p>	7-21-15 Cleared

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>Other, biodiversity-rich countries in the Indian Ocean are facing debt (Mauritius), while yet other will face major transformations in their economy fuelled by extractive industries boom (Tanzania, Mozambique). Seychelles will be able to offer useful lessons on how to reconcile these elements with the needs for conserving a country's biodiversity endowment.</p> <p>Cleared</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		<p>7-21-15 Yes Cleared</p>
	<p>15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?</p>		<p>7-21-15 Cleared</p>
<p>Project Financing</p>	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>7-2-13 Yes. Cleared</p>	<p>7-21-15 Cleared</p>
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>7-2-13 Yes. There is significant co-financing from the Government (\$11M), The Nature Conservancy (\$1M) and the GEF Agency. Please explore the possibility of raising the Agency's contribution during project implementation. Cleared</p>	<p>7-21-15 The LoE from Bayan Tree and Marine Conservation Society Seychelles make reference of annual investments of \$46K and \$40K, respectively. Total investments are \$184,000 and \$160,000, respectively. Nevertheless, the amounts on Table C in CEO Endorsement are \$230K and \$200K, respectively. It is necessary to re-issue the letters or</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			reduce the co-financing. 11-30-15 The co-financing amount in Table A (\$15,099,654) and Table B and C (\$15,013,654). Please address this difference. Cleared
	18. Is the funding level for project management cost appropriate?	7-2-13 Yes. It is 4.7% Cleared	7-21-15 It is 4.9% Cleared
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	7-2-13 PPG is for \$100,000 and below the ceiling. Cleared	7-21-15 Yes. Three separate studies: Biodiversity offsets, Payment for Ecosystem Services and Baseline financial assessment of Seychelles' Protected Area System. Use of PPG funds to prepare the CEO Endorsement mentioned throughout the PRODOC. Cleared
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	NA	NA
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		7-21-15 Yes Cleared
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		7-21-15 Yes Cleared
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	<ul style="list-style-type: none"> Other GEF Agencies? 		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	8-16-13 Yes. This PIF is recommended.	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		7-22-15 No. Please address outstanding issues under items 7 and 17. Thanks 12-01-15 Yes. This CEO Endorsement is recommended.
	First review*	July 02, 2013	July 22, 2015
Review Date (s)	Additional review (as necessary)	August 16, 2013	December 01, 2015
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**